

The Chief Clerk proceeded to call the roll.

During the calling of the roll,

Mr. HATCH. Mr. President, I ask unanimous consent to withdraw the suggestion of the absence of a quorum.

The PRESIDENT pro tempore. The roll call will be suspended.

Mr. HAYDEN. Mr. President, I ask unanimous consent that the appeal from the decision of the Chair be considered pending, and that it be brought up for consideration of the Senate after the disposal of the Dooley nomination; that not more than 2 hours be consumed in discussing the matter, one-half to be controlled by the Senator from Nevada [Mr. McCARRAN] and one-half by me.

The PRESIDENT pro tempore. Is there objection?

Mr. McCARRAN. Mr. President, reserving the right to object, does the Senator mean it is to be brought up immediately after the Dooley matter?

Mr. HAYDEN. Yes.

The PRESIDENT pro tempore. Is there objection?

Mr. GURNEY. Mr. President, reserving the right to object, it is my understanding, then, that it is considered, in connection with the unanimous-consent request now pending, that the unification bill will be the order of business on Monday.

The PRESIDENT pro tempore. The Senator is correct.

Is there objection to the request of the Senator from Arizona? The Chair hears none, and it is so ordered.

ADJOURNMENT TO MONDAY

Mr. WHERRY. Mr. President, if there is no further business to come before the Senate at this time, I move that the Senate adjourn until Monday next at noon.

The motion was agreed to; and (at 6 o'clock and 40 minutes p. m.) the Senate adjourned until Monday, July 7, 1947, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received July 3 (legislative day of April 21), 1947:

JUDGE, FIFTH CIRCUIT, CIRCUIT COURTS, TERRITORY OF HAWAII

Hon. Philip L. Rice, of Hawaii, to be judge of the Fifth Circuit, Circuit Courts, Territory of Hawaii. (Judge Rice is now serving in this post under an appointment which expired April 22, 1947.)

UNITED STATES ATTORNEY

Ward Hudgins, of Tennessee, to be United States attorney for the middle district of Tennessee, vice Horace Frierson, whose term will expire July 7, 1947.

HOUSE OF REPRESENTATIVES

THURSDAY, JULY 3, 1947

The House met at 12 o'clock noon.

The Reverend Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou who wert the God of our fathers, we thank Thee for all the great

days in our national history, and especially for that day of solemn and sacred memory which we call Independence Day.

We pray that our minds and hearts may continue to enlarge with pride and praise for our beloved country, conceived in sacrifice, dedicated to Thy glory, and consecrated to the service of mankind.

Grant that the lofty ideals of democracy, of freedom and friendship, of justice and righteousness, may ever be the foundation upon which we are seeking to build a glorious Nation and a better world.

Inspire us with a passion to lead struggling humanity out of the darkness of night into the radiant light of a new day that will be more blessed than our fondest hopes.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3333. An act to authorize the transfer of the *Joseph Conrad* to the Marine Historical Association of Mystic, Conn., for museum and youth-training purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4031) entitled "An act making appropriations to meet emergencies for the fiscal year ending June 30, 1948, and for other purposes."

INCOME-TAX REDUCTION

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a majority report, and if the minority should decide to file a minority report that it also have until midnight to file, on H. R. 3950, which is a bill to reduce taxes.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

FOREIGN ECONOMIC POLICY— PRELIMINARY REPORT

Mr. VORYS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VORYS. Mr. Speaker, a copy of a preliminary report of the Subcommittee on Economic Policy of the Committee on Foreign Affairs is being sent to each Member of the House. We urge you to read it.

The Committee on Foreign Affairs has brought to the floor in this session a series of bills in response to Presidential messages which had to be considered in an atmosphere of emergency. The relief bill, the Greek-Turkish bill, and the IRO bill had to be considered after public commitments had been made by the Executive and when dead lines for action lay ahead.

Long before the Marshall plan was announced, the committee realized the critical situation that existed in Europe and the necessity of our studying the situation in our own interest, so that the committee would have its own independent sources of information about matters which required legislation before such legislation was requested or introduced.

The task of the Economic Subcommittee was obviously to determine, as far as possible, the needs for world recovery, particularly in Europe, and the ability of the United States to help meet these needs on a basis satisfactory to the United States. The subcommittee decided that the way to start was to survey and analyze existing studies so as to avoid duplication. This preliminary report deals with European needs, rather than with our ability to fulfill these needs, because this is the state of available existing studies in this country.

We have had the cooperation of the Department of State, the Department of Commerce, the Tariff Commission, the Export-Import Bank, the Treasury Department, the Food and Agriculture Organization and other sections of the United Nations, the International Bank, the National Planning Association, the Council of Foreign Relations, the Federal Reserve Board. They have made their existing studies available to us, and their staff members have been extremely prompt and helpful in this work. Special credit must be given to the staff of the Legislative Reference Service of the Library of Congress in collating this data. While we appreciate greatly the help that has been given us, the conclusions and interpretations are the result of the independent judgment of the subcommittee and its staff.

This report analyzes present studies of the needs, limits, and sources of American aid to foreign countries; supplementary sources from self-help and other countries. The apparent dollar deficit in Europe for 3 years, 1947-49, is shown at about \$9,970,000,000. The report shows that this is preliminary and subject to many uncertain factors, but this is a more careful and certainly a more encouraging estimate than such current stratospheric guesses as ten billion a year for 5 years. The report also points out that the problem is not resolvable into a mere statement of dollar deficits, even though such an estimate is important, but depends upon meeting shortages in critical commodities, and that this involves many questions of policy other than financial.

This report is preliminary and outlines possible future reports. The keynote of the attitude of our subcommittee in studying this question, however, may be

found in these words on the first page of the report:

The subcommittee believes that world recovery not only can be, but must be, sound business for the United States.

We propose to continue these studies as outlined in our preliminary report, in cooperation with the executive departments and making such independent studies as are necessary. We hope the full committee will authorize the publication of such of these studies as are appropriate in order that Congress and the public may be kept informed. Since any legislation which is necessary in this field must originate in the House, and receive consideration from our committee, we feel that it is important that the continuous study provided in the Reorganization Act be given by this committee to this subject, so that any necessary legislation may evolve through cooperation between the Executive and the Congress, instead of being first submitted to Congress by a Presidential message.

The gist of the Marshall plan is that Europe should make its own study of its needs. The Paris Conference for this purpose is ending in an atmosphere of failure, so far as Russian participation is concerned, but of success in agreement between Britain and France to state what they and the rest of western Europe can do to help themselves. We do not believe this is the end of our efforts to help Europe. We do not believe that we should rely entirely upon the estimates of European nations, separately or collectively, as to their own needs. We, therefore, believe this preliminary report will be helpful at this time.

EXTENSION OF REMARKS

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. TWYMAN asked and was given permission to extend his remarks in the RECORD.

Mr. MERROW asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Washington Post.

STILL ONE WORLD

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, the departure of Foreign Minister Molotov from the three-power European Reconstruction Conference and today's release of the preliminary report of the Economic Policy Subcommittee of the House Committee on Foreign Affairs, which the gentleman from Ohio [Mr. Vorys] has just spoken of, may well open a new era in our foreign relations. Mr. Molotov's departure from Paris will not—probably to the amazement of the Soviets—create two worlds. We did not object to the Soviets being in on European reconstruction, and we are not going to be

scared or bluffed by their getting out—nor will the rest of Europe. The Soviet withdrawal will not create two worlds, Mr. Speaker. It is still only one world from which Russia is temporarily withdrawing because it cannot have its own way and is too much a slave to its own doctrines to adapt them to the crying needs of peoples everywhere. By its report the Economic Policy Subcommittee is beginning to show that the world is economically interdependent and that aid to the world's reconstruction is not a matter of our being "bled white" like a bank with a run on it, but that those we help with our great economic resources can help us and themselves too—that there are lots of resources in the world in men and materials that we want and do not have, and that the world can come pretty close to being able to pull itself out with its own resources if better organized and given some timely support by us.

REJECTION OF MARSHALL PLAN BY MOLOTOV

Mr. MERROW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. MERROW. Mr. Speaker, the Russians have wrecked another international conference. Molotov has rejected participation in the Marshall plan. Russia wants a divided, disorganized and a prostrate Europe. The Paris Conference has made clear the objectives of the Kremlin. Boldly, bluntly, and badly, the Soviet Union has informed the world by actions and by statements that she desires a distressed and divided Europe. Obviously this is for the purpose of spreading communism and of continuing the program of relentless Soviet expansion with the ultimate purpose of dominating the world.

The policy which the United States should follow is clear cut. We must encourage western Europe to act on the Marshall proposition even though the Soviet Union will have nothing to do with it. An economically strong European Continent will help guarantee the security of the United States. Twice during the past 30 years our Republic has engaged in war to prevent the march of aggression. We will not stand idly by now while another tyranny bent on control of the world reaches out to grasp and to subjugate every country in its path.

We have the resources and the power and the will to call the bluff of the communistic dictatorship in Russia. By extending assistance to keep western Europe independent, free, and economically strong, we will be making an investment in world stability. I am convinced that financial aid to the war devastated countries will help us win the struggle to establish world peace. In the near future Congress will be called upon to make appropriations, to effect and to implement the Marshall plan. I shall vote for all the aid necessary to put the nations of

Europe on their feet economically, to prevent them from being shackled by communism and to stop the naked and ruthless aggression of Mr. Stalin and his associates.

FEDERAL SAVINGS ASSOCIATION

Mr. BRADLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BRADLEY. Mr. Speaker, the Supreme Court has nullified that protection to the savings investors of this Nation which has heretofore been believed to be guaranteed by the Constitution. In the opinion of the Supreme Court in the case of *Mallonee against Fahey*, the Court held in substance that a person investing his life's savings in a Federal savings association is estopped from invoking supposed constitutional guaranties to protect his savings against wanton seizure and expenditure by Government officials.

The seizure of \$26,000,000 and the dissipation of tens of thousands of dollars of the people's savings by John H. Fahey as Federal Home Loan Bank Commissioner in the case of the Long Beach Federal Savings and Loan Association is a stark warning of the dangers to the savings of hundreds of thousands of people throughout the Nation. The destruction of the \$43,000,000 Federal Home Loan Bank of Los Angeles by John H. Fahey in the exercise of his unbridled power, all without notice, warning, or hearings, illustrates undreamed of extension of authority by the executive department and throws responsibility upon the elected representatives of the people to recapture for the citizens of the United States a proper degree of protection and security for their property.

The United States Supreme Court decision seems to have stripped all constitutional restraints from the rule-making power of John H. Fahey as Federal Home Loan Bank Commissioner, and to have declared the Federal courts to be without power to invoke constitutional guaranties to protect the people's savings against seizure and dissipation by Government officials.

I strongly urge the Rules Committee give prompt consideration to House Resolution 208, introduced by the Honorable CECIL KING, to investigate the decisions of the United States Supreme Court and make recommendations which will restore to the people their protection and security as contemplated by the Constitution of the United States.

NO DIAPERS IN DE SOTO

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. STEVENSON. Mr. Speaker, last Thursday at 11:21 in the morning a little girl named Judy Kay Orman came into this world at De Soto, in Wisconsin. You know De Soto on the Mississippi River, named after the man who discovered the Father of Waters. Well, Judy Kay is a very modern little girl and has already learned to tell her Congressman when she is in trouble. So Judy Kay has just written me:

DEAR GREAT BIG GOVERNMENT MAN: I just came into this great big old world the other day—it sure is a big one, isn't it? Grandma says we try to pick out the best men we got and send them to Washington to help us solve our problems. Now, I got a problem, and I haven't been here very long. How come we can't find any pants? My grandma (and, by the way, "grandma" is Mrs. Lloyd Henderson, of De Soto) had a hard time finding diapers for me. She could find all kinds of upholstering materials, lots of cretonnes—fancy ones, at that—and oodles of other materials that no one will ever use, but no diaper materials. Now, Great Big Government Man, that is my problem.

And so I beseech everyone, manufacturers, retailers, and Government agencies, to get some baby pants out to De Soto, Wis., for little Judy Kay Orman and for all the other little babies out in Wisconsin.

AMENDMENT OF FEDERAL UNEMPLOYMENT TAX ACT

Mr. REED of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4011) to amend section 1602 of the Federal Unemployment Tax Act.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. FORAND. Reserving the right to object, Mr. Speaker, and I shall not object, will the gentleman from New York explain the bill?

PURPOSES OF THE BILL

Mr. REED of New York. Mr. Speaker, the amendment proposed by the bill to section 1602 of the Federal Unemployment Tax Act—subchapter C of chapter 9 of the Internal Revenue Code—has these three purposes:

First. To give express statutory sanction to the administrative interpretation which has permitted voluntary contributions made by an employer to a State unemployment fund, under the provisions of the State law, to be used in the computation of reduced required contribution rates;

Second. To provide for a definite period within which voluntary contributions must be made in order to be qualified to effect reductions in required contribution rates for State contribution years beginning in 1948 or thereafter; and

Third. To provide that, in respect of State contribution years beginning in 1946 or 1947, such voluntary contributions may be made at any time prior to January 1, 1948 (or, if later, within 120 days after the beginning of the rate year).

MERIT RATING

The Federal Unemployment Tax Act imposes a tax of 3 percent on wages paid by employers of eight or more. Against this tax the act allows, under conditions specified, certain credits, which may not exceed in the aggregate a maximum of 90 percent of the amount of the tax. The effect of these credits is to reduce the Federal tax to not less than 0.3 percent. The amounts so credited represent not only contributions actually paid by the employer into the State unemployment fund, under an approved State law, but also any excess thereof of the contributions he would have been required to pay into the fund had he been subject throughout the year to the highest rate applicable to any employer in the State, or to a rate of 2.7 percent, whichever was lower.

VOLUNTARY CONTRIBUTIONS

The unemployment compensation laws of almost all the States provide for merit rating; that is, for preferential rates of contribution required of employers, according to their employment experience. These laws, in the case of some 12 or 13 of the States, also make provision for voluntary contributions by employers, such contributions to be allowed as offsets against benefits charged to the employer's respective accounts. The effect of such offsets, of course, is to better the experience of the employers and to entitle them, therefore, to lower rates of contribution.

The Federal Unemployment Tax Act contains no provision specifically authorizing voluntary contributions of the character and effect described, but their use as an element in determining the factors bearing a direct relation to unemployment risk, within the meaning of section 1602 (a) (1) of the act, has been recognized administratively.

The amendment made by the bill would expressly permit the use of voluntary contributions in the computation of reduced rates of required contribution.

The Federal law also fails to prescribe the period within which a voluntary contribution, effective as an element in rate reduction, can be made. Your committee is advised that the Federal Security Agency has considered this question from time to time and that its position is that such contributions may be used for rate-determination purposes if they are paid before the first due date for required contributions for the new rate period. Thus, for example, if a State law prescribes that a contribution rate is applicable for a calendar year and the first due date for contributions for such calendar year is April 30, voluntary contributions paid on or before that date will be considered timely.

The amendment made by the bill provides, in effect, that voluntary contributions for rate years beginning in 1948 or thereafter will be effective if paid within 120 days after the beginning of the rate year.

The amendment made by the bill would also have the effect, with respect to rate years beginning in 1946 or 1947, of providing that voluntary contributions

available for rate determination purposes may be made at any time prior to January 1, 1948 (or, if later, within 120 days after the beginning of the rate year). The need for such a provision has arisen from the action of the Federal Security Agency in withholding approval of an amendment made to the Minnesota unemployment compensation law in April of this year. That amendment would permit the use of voluntary contributions, paid on or before June 30, 1947, or within 60 days thereafter, in the determination of rates for the years 1946 and 1947. The contributions so available would not exceed the greater of \$300 or 0.1 percent of the employer's annual pay roll. The amendment was designed to eliminate inequitable differences of rate resulting from the operation of the prior law under the extraordinarily favorable employment experience of the war and postwar periods. Approval was withheld on the ground that the period within which voluntary contributions could be made in respect of the years 1946 and 1947 was unreasonably long.

Your committee is unanimously of the opinion that this bill should be enacted without delay, in order that existing ambiguities relating to the effectiveness of voluntary contributions may be removed from the Federal Unemployment Tax Act. The Federal Security Agency is likewise of opinion that these ambiguities should be removed.

It is believed that all practicable precision in the statutory standards is desirable, from the standpoint of Federal and State agencies as well as of employers.

ANALYSIS OF THE BILL

Section 1 of the bill adds a new subsection, designated (d), to section 1602 of the Federal Unemployment Tax Act. Section 1602 prescribes the conditions under which the additional, or merit rating, credit under section 1601 (b) is allowed. Standards to which State laws must conform are set forth in section 1602 (a).

The new subsection provides that a State law may, without being deemed to violate those standards, permit voluntary contributions to be used in the computation of reduced rates if such contributions are paid within 120 days after the beginning of the rate year, or prior to January 1, 1948, whichever is later.

Under section 2 of the bill, the amendment made by section 1 will be applicable only with respect to contribution rate years beginning after December 31, 1945.

Mr. FORAND. It is my understanding that this in no way affects the rate, whether it be the merit rate or the regular rate under which they operate at the present moment. It does not change the rates in any way.

Mr. REED of New York. Not at all.

Mr. FORAND. It simply permits these companies within a State to bring their records up to date?

Mr. REED of New York. That is right, by voluntary contribution.

Mr. FORAND. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 1602 of the Federal Unemployment Tax Act (Internal Revenue Code, sec. 1602), as amended, is hereby amended by adding at the end thereof a new subsection to read as follows:

"(d) Voluntary contributions: A State law may, without being deemed to violate the standards set forth in subsection (a), permit voluntary contributions to be used in the computation of reduced rates if such contributions are paid prior to the expiration of 120 days after the beginning of the year for which such rates are effective, or prior to January 1, 1948, whichever date is the later."

SEC. 2. The amendment made by section 1 shall be applicable only with respect to taxable years beginning after December 31, 1945.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INCREASING ALLOWANCES TO CERTAIN VETERANS

Mr. ROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROSS. Mr. Speaker, millions of veterans have been heartened by the news that this Congress intends meeting one of its obligations by passing legislation which will allow them to cash their terminal-leave bonds in September. As worthy as this act is, it does not by any means fulfill our obligations to the GI's.

There are pending before the Rules Committee two bills which this Congress should pass before we adjourn. One is H. R. 246, to raise the ceilings on wages and allowances payable to veterans undergoing training on the job; the other is H. R. 3888, to provide increased subsistence allowances to veterans who are taking institutional training. The House Committee on Veterans' Affairs, after weeks of hearings, reported these bills favorably.

H. R. 246 would raise the unfair and unjust ceiling on the amount which a GI is now permitted to earn while working as a trainee and still receive his subsistence allowance. The present ceilings are not adequate; in fact, they serve to penalize the veteran by restricting his income. They serve to subsidize many employers who refuse increases to veterans because the veteran's net income would not be increased. The measure increasing subsistence allowances would liberalize the allowances for married veterans and married veterans with children. Although the measure does not carry any increase for single veterans, it may be amended when it reaches the floor of the House or in conference if it passes the other body.

The increased cost of living over the past year has been working an extreme hardship on veterans who are trying to complete their education on subsistence

allowances which were established over a year ago. I urge that the Rules Committee allow these two measures to come before the House for I am certain both will pass unanimously.

ETERNAL VIGILANCE IS THE PRICE OF LIBERTY

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, tomorrow being the Fourth of July, it is an appropriate time to rededicate ourselves to the imperishable principles of the Declaration of Independence. Adherence to these principles, we all know, must be constant and not merely reserved for lip-service to the Declaration of Independence on the Fourth of July.

The admonition, "Eternal vigilance is the price of liberty," is constantly before us. If ever there was a time when this vigilance was necessary that time is today, when radicals of every stripe and shade rant up and down the land. And in viewing the plight of democracy around the world, we see it confronted by the preachers of false gods.

We take confidence and renewed courage when we meditate upon the principles of the Declaration of Independence and our republican form of government that was established in keeping with the postulates of the Declaration of Independence. We extoll again Thomas Jefferson for the prominent part he took in drafting the great declaration.

It is quite fitting that President Truman goes to Monticello, the revered home of Thomas Jefferson in the great State of Virginia. I see by the papers that Mr. Truman is going to deliver a patriotic address from the hallowed ground of Monticello.

I hope that Mr. Truman, in reviewing the works of Thomas Jefferson, will dwell upon the founding father's conception of a three-division government in which the legislative, executive, and judicial branches are given exclusive fields of jurisdiction, with a system of checks and balances.

One of these checks is the veto power of the President. Mr. Truman could recall to the country that the framers of the Constitution were reluctant to insert the veto power into the Constitution. Their minds were filled with indignation over the actions of kings in vetoing the will of the people as expressed through their legislators.

It was thought best to include the veto power as a guard against encroachment of the legislative branch upon the executive. It was never intended to be used as a minority lever to thwart the will of the people's representatives in Congress.

Mr. Truman might well ponder the fact that Thomas Jefferson as President of the United States never exercised the veto instrument. Not once did he resort

to the veto to block the law-making branch.

Yet Mr. Truman saw fit to veto the so-called Taft-Hartley labor relations bill despite the overwhelming support for it in the Congress.

Yes, this is an appropriate time to meditate on the principles of our Government and that applies to all of us from the President down to the lowest-placed toiler in the humblest pursuit.

EXTENSION OF REMARKS

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include two editorials from the Portland (Oreg.) Journal.

Mr. HORAN asked and was given permission to extend his remarks in the RECORD in two instances and include some editorials.

Mr. RIVERS asked and was given permission to extend his remarks in the RECORD and include an address given at Miami, Fla., on June 18, 1947, by Col. Melvin Maas, president of the Marine Corps Reserve Officers' Association.

Mr. HARLESS of Arizona asked and was given permission to extend his remarks in the RECORD in two instances and to include newspaper articles.

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks in the RECORD and include some editorial comment.

THE SUPREME COURT OF THE UNITED STATES

Mr. BOGGS of Louisiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BOGGS of Louisiana. Mr. Speaker, my distinguished colleague from California [Mr. BRADLEY] a few moments ago referred to the decision of the Supreme Court in the case of *Fahey versus Mallonee*, which decision I incorporated in the RECORD on Tuesday of this week. He called for an investigation of the Supreme Court of the United States as a result of that decision.

I invite you to read the Supreme Court decision in that case which was arrived at unanimously. You have heard much criticism of the Court because of the many dissenting opinions handed down by the Court, but here is a unanimous opinion which, and even though the gentleman advocates an investigation of the Court, the 26,000 shareholders in that corporation who have been protected are saying, "Thank God for the Supreme Court."

EXTENSION OF REMARKS

Mr. SMATHERS asked and was given permission to extend his remarks in the RECORD in two instances and include editorials.

Mr. MANSFIELD of Montana asked and was given permission to extend his remarks in the RECORD in two instances and include in each various editorials and newspaper articles.

SPECIAL ORDER GRANTED

Mr. MILLER of Connecticut. Mr. Speaker, I ask unanimous consent that after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered, I may address the House for 10 minutes today.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—SALE OF FIREARMS IN THE DISTRICT OF COLUMBIA

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk:

To the House of Representatives:

In compliance with the request contained in the resolution of the Senate (the House of Representatives concurring therein), I return herewith H. R. 493, an act to amend section 4 of the act entitled "An act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia," approved July 8, 1932 (sec. 22, 3204 D. C. Code, 1940 ed.).

HARRY S. TRUMAN.

THE WHITE HOUSE, July 3, 1947.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—TRUSTEESHIP AGREEMENT FOR PACIFIC ISLANDS (H. DOC. NO. 378)

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk, and, together with accompanying papers, referred to the Committee on Foreign Affairs and ordered printed:

To the Congress of the United States:

I wish to recommend to the Congress action enabling this Government to approve the Trusteeship Agreement for the Territory of the Pacific Islands which was approved unanimously by the Security Council of the United Nations on April 2, 1947. There is attached a letter from the Secretary of State enclosing a copy of the trusteeship agreement and a memorandum with reference to its negotiation in the Security Council.

The trusteeship agreement was proposed by the United States to the Security Council and approved by the Council with certain changes which were acceptable to the United States Government. Its terms are in conformity with the policy of this Government and with its obligations under the Charter of the United Nations. The terms of the agreement make ample provision for the political, economic, social, and educational development of the inhabitants of the trust territory, and at the same time fully protect the security interests of the United States.

The United States has taken an active role from the beginning in the establishment of the trusteeship system of the United Nations. I believe, therefore, that it would be only fitting, as well as in the interest of the inhabitants of the islands, that the trusteeship agreement

should be brought into force as soon as possible.

I have given special consideration to whether the attached trusteeship agreement should be submitted to the Congress for action by a joint resolution or by the treaty process. I am satisfied that either method is constitutionally permissible and that the agreement resulting will be of the same effect internationally and under the supremacy clause of the Constitution whether advised and consented to by the Senate or whether approval is authorized by a joint resolution. The interest of both Houses of Congress in the execution of this agreement is such, however, that I think it would be appropriate for the Congress, in this instance, to take action by a joint resolution in authorizing this Government to bring the agreement into effect.

I hope that the Congress may give early consideration to this matter.

HARRY S. TRUMAN.

THE WHITE HOUSE, July 3, 1947.

(Enclosure: Letter from the Secretary of State with two enclosures.)

EXTENSION OF REMARKS

Mr. MASON asked and was given permission to extend his remarks in the RECORD.

PERSONAL PRIVILEGE

Mr. HOFFMAN. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state the question of personal privilege.

Mr. HOFFMAN. Mr. Speaker, in a letter dated June 28, 1947, addressed to the Washington Post, Washington, D. C., a copy of which was sent to and received by me, and in a similar letter addressed to the Washington Times-Herald, copies of the latter having been addressed to and received by some of the members of the House Committee on Expenditures in the Executive Departments, by one D. Harold Byrd, Dallas, Tex., appear the following statements:

1. But if we look fully into Congressman HOFFMAN's past record of performance we gain a better insight of why he seems to be deliberately delaying a matter of such importance to our country's defense. He has never seemed to care too much about our country's defense.

2. He seems to have been against everything that would protect our, and his, country.

3. In the book, the Illustrious Dunderheads, Congressman HOFFMAN is prominently mentioned for his "anti" tactics at a time when the country was rushing headlong toward a war.

4. In Russia, Congressman HOFFMAN would have been liquidated long ago as an enemy of his country.

The foregoing statements and, in particular, the one numbered four, by inference and innuendo, charge the Member from the Fourth Congressional District of Michigan with entertaining and acting upon and in furtherance of a policy which is detrimental to the interests of his country. The statements reflect upon the integrity and the patriotism, in his official capacity, of the Member from the Fourth Congressional District of Michigan, and raise the question of personal privilege.

The SPEAKER. The gentleman from Michigan is recognized for 1 hour.

Mr. HOFFMAN. Mr. Speaker, this matter is brought up at this time because the President recently in a talk here in Washington called attention to the fact that there was a great necessity for tolerance in this country. Why that should be forgotten by Mr. Byrd is not understandable. Mr. Byrd apparently is an officer or a stockholder of Byrd Frost, Inc., in Dallas, Tex. It is an oil company and I assume engaged in selling oil to domestic and foreign purchasers.

He makes the charge that the chairman of this committee has been deliberately "delaying a matter of great importance to the country's defense," because the Committee on Expenditures in the Executive Departments has not reported out the so-called merger bill. That charge, as every member of that committee knows, is without foundation.

There is no necessity of discussing at this time the merits of the unification bill. That will come before the House sometime in the near future.

It should be said that since the time the bill was introduced by me at the request of the administration and as an administration measure—and it was promptly introduced—from that time on, on every possible occasion, hearings have been held. In fact, the chairman went so far as to attempt to hold night sessions of the committee.

Due to the Reorganization Act passed by the previous Congress, the whole setup of this Congress had to be changed. We had to employ staff members; we had to have a clerical force; we had a new committee.

For example, of the 15 Republican members, 12 were not on the committee last year and 4 had never served in Congress previously. Of the 10 Democratic members, 8 were new to the committee work and, of the 8, 5 had never before served in Congress. So it is easy to understand why it required time to get into action.

Notwithstanding the fact that 20 of the 25 members were new to the work of that committee, we have put out several routine bills of some importance. Four subcommittees have held hearings and three of the four have submitted and have reported to the Congress reports well worth the attention and the careful study of every Member of this body.

The President sent down three reorganization plans, which were referred to the committee, one was accepted. Hearings were held on Reorganization Plans 2 and 3 and that took time. On those two plans, unfavorable reports were made to the House and the House, by a substantial majority and without a roll call and in less than an hour's time, adopted both. One, plan No. 2, has been similarly rejected by the Senate.

As soon as it was possible after the introduction of H. R. 2319, the unification bill, we began to hold hearings and, from the date of the first hearing to and including July 1, when the hearings were closed, hearings were held on every possible occasion.

The members were diligent in attendance; they were attentive and on no occa-

sion was there a partisan disagreement raised, either in the open hearings or in executive session.

Criticism of the committee, of its diligence, of the manner in which it gave consideration to the witnesses, is unwarranted. The unsubstantiated charge that the chairman of the committee has delayed hearings or consideration of the bill is a gratuitous insult.

Then there is a second statement:

He has been against everything that would protect our and his country.

How he reaches that conclusion I do not know. Perhaps it is explained in the third statement:

In the book, the Illustrious Dunderheads—

We all know what that was, a libel of perhaps one-third of the Members of Congress, the writer of this letter said that the chairman was prominently mentioned for his "anti" tactics at a time when the country was rushing headlong toward a war."

There is no question but that, as did many other Congressmen, I opposed and voted against measures which I believed and which many Members of this House believed might get us into war. I remember on one occasion one of the measures was adopted by the House by one vote.

We believed, those of us who voted as we did, that by our action we were attempting to keep, and might be successful in keeping, this country out of war. I recall very distinctly that time and time again the gentleman from Mississippi [Mr. RANKIN] warned this country that, if it followed a certain course, the inevitable result would be war. I believed we were following a course which would get us into war. That I opposed with all my strength. I have no apology.

This gentleman, Mr. D. Harold Byrd, the oil man, apparently is ignorant of the situation, for he repeats that old, old charge that some of us, including the speaker, voted against the fortification of Guam. Well, that question was never before us; but aside from that, the charge I resent at this time is that the chairman of the Committee on Expenditures in the Executive Departments deliberately delayed the hearings on the unification bill. There is not a word of truth in that statement.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Massachusetts, the leader of the majority in the Seventy-ninth Congress and the present whip of the Democratic minority.

Mr. McCORMACK. Mr. Speaker, I am a member of the committee that my friend is chairman of, and I have sat through all of the consideration of the merger or unification legislation. I can testify, and I now testify as emphatically as it is possible for me to do so, that at no time has the gentleman from Michigan [Mr. HOFFMAN] done anything to try to hinder the early consideration of the bill, either in hearings or in executive session. I say that as one who watched closely to see, because I wanted action taken on the bill by the committee. I state to the House now, and I hereby testify, that the evidence has been

directly to the contrary. The gentleman from Michigan, as chairman of the committee and as a member of the committee, has done everything he possibly could to expedite action on the bill.

In relation to the other charges, all I have to say is that we may differ, Members may honestly differ, on pending legislation. I cannot argue with any man where conscience is involved. I may disagree with the judgment of another Member, but I respect the right of every Member to form his or her judgment, and whenever an honest judgment is formed I respect the right of the Member to follow the dictates of his or her conscience. While the gentleman from Michigan and I have differed on legislation that was in this body before Pearl Harbor, the gentleman arrived at his opinion from his conscience, and he carried out the dictates of his conscience, which he should have done, and as any Member should carry out the dictates of their conscience. I thoroughly respect the honesty of the gentleman's motives in arriving at the judgment he did, and I respect him for carrying out his conscience. After all is said and done, we have to live with our conscience, and we should follow the dictates of our conscience where the matter of conscience is involved.

Coming back to the bill, instead of delaying the matter, the gentleman, so far as I can observe—and I think the other members of the committee will confirm my statement—has done everything he possibly could to expedite the hearings, even holding night sessions or trying to hold more night sessions. The reason more night sessions were not held was not due to him. It was due to the fact that other members were so situated that they could not attend some of the night sessions that the gentleman from Michigan was urgently trying to have the committee conduct.

I assume the gentleman who wrote the letter is honorable and trustworthy. If so, and proceeding upon that assumption, in view of the statement the gentleman has made, if the one who wrote the letter believes what I state, he should write a letter of apology to the gentleman from Michigan on the charge of delaying consideration of the bill in question.

On the matter of difference of opinion as to legislation before Pearl Harbor, we can all disagree on that. It is a question of an honest conscience. From my observation of the gentleman from Michigan he has always had the courage to express whatever judgment he forms and whatever his conscience dictates him to do in the performance of his duty as a Member of the House.

I am glad to make these observations because, so far as the merger or unification bill is concerned, I repeat emphatically, the gentleman from Michigan has done everything he could as chairman to have the hearings expedited and to have the bill brought out for consideration. It is a big bill. It is a comprehensive bill. It is not one that you can arrive at an opinion on in 10 minutes or in 10 days. It requires deep thought, and I think as a result of the hearings that there have been a lot

of valuable contributions made that the Members in executive session will consider seriously. The gentleman has done everything he possibly could to expedite the hearings and action on the bill.

Mr. HOFFMAN. I thank the gentleman for his statement.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Illinois.

Mr. CHURCH. As a former member of the committee that the gentleman is now chairman of, and that the distinguished gentleman from Massachusetts [Mr. McCORMACK] is a member of, I want to say "Amen" to his statement and to the gentleman's statement.

Mr. SNYDER. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from West Virginia.

Mr. SNYDER. I am a member of the Committee on Expenditures in the Executive Departments, and I heartily concur in what the distinguished gentleman from Massachusetts [Mr. McCORMACK] said, that the chairman of our committee has been most diligent in pressing hearings and affording an opportunity for everyone to be heard. I was a member of the armed forces. I am keenly interested in the unification bill, and I have been more than pleased and satisfied with the aggressive action that the chairman has taken in bringing witnesses before the committee and getting this legislation in shape to report to the House for final action.

Mr. HOFFMAN. I thank the gentleman.

Now, Mr. Speaker, there has been no secret about the attitude of members of this committee. There is a difference of opinion, as there almost always is a difference of opinion, on important proposed legislation. Speaking generally of the committee and its actions, there has never been any controversy in the committee growing out of any personal or partisan feeling.

This measure, the unification bill, so-called, is not a partisan measure; not by any means. It was before the last Congress. It was before preceding Congresses away back to 1903. Personally, I do not favor all of the provisions of the original bill which I introduced by request, and that is known to every member of the committee.

But, when it comes to the question of delay, as the gentleman from Massachusetts and the gentleman from West Virginia said, there has been no delay.

And, I will add this statement to what they said: On the day the hearings were closed, there was presented to the committee a detailed statement in parallel columns of all the bills that have been presented to the committee bearing upon this subject, up to the present time, so that the committee might be advised of what had been presented to them before the subcommittee met to mark up a bill.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield further?

Mr. HOFFMAN. I yield.

Mr. McCORMACK. The gentleman brings another thought to my mind.

The gentleman is doing something which is most unusual. He is going to have the hearings printed for the subcommittee that has been appointed to go over the draft of the bill and consider the bill in subcommittee before it goes to the full committee. This print is very voluminous. I got the hearings only last night, with the request from the clerk of the committee to return them. I was glad to see them. They wanted to get them back by 12 o'clock.

Now, that is what the gentleman has been doing. Every bit of evidence that I have seen is that the gentleman from Michigan, no matter what his views might be on the bill as chairman of the committee, and I believe in giving credit where credit is due—has been doing everything possible to expedite the hearings on the bill, and I am glad, only too glad, to publicly subscribe to that fact and to see that the truth from that angle, that being one of the issues raised, is proclaimed as widely as I possibly can proclaim it.

Mr. HOFFMAN. Nothing would have been said about this matter had it not been for the fact that over the past few weeks the press, on several occasions, has seized the opportunity to charge that this measure was being delayed.

When that untrue charge put out by way of propaganda and for pressure purposes was followed by the receipt of a copy of a letter written to the press, repeating the false charge, and I learned from the members of the committee that they had received copies of the letter vilifying me, it was just a little too much.

In my opinion, it is only fair, there being at the moment no other business ready for the consideration of the House, to advise the Members of the falsity, the littleness and the meanness of the charge.

Of course, as stated before, it has taken some time, but everything is now ready for the subcommittee to mark up the bill. As soon as the hearings were ended, the very day the hearings were ended, a subcommittee was appointed, the next Monday, July 7, was fixed as the first day of the hearings for the subcommittee.

I call this matter to the attention of the Members of the House for the benefit of some of the newer Members, those who came in with the Eightieth Congress, because they will find as time goes on that if you follow your conscience and express your thoughts you will always find someone finding fault with what you are doing, as they have a right to do, and then going beyond that and charging you with a lack of patriotism, which no one has the right to do until a Member of this body has demonstrated beyond controversy that he is doing something that is not in the interest of the country.

Over the years, because I demanded fair and equitable labor legislation, was bitterly opposed to the New Deal, what I considered its waste, its spending, and its inefficiency, such assassins of character as Walter Winchell and Drew Pearson have repeatedly viciously and meanly vilified and slandered me, both in the press and over the air. Against such attacks a Congressman has no effective remedy.

But where he lives in a district where the people, as they are in the Fourth Congressional District of Michigan, are intelligent, patriotic, and sound in their thinking, their opinions, their words carry little if any weight.

Time and again the CIO and the PAC have circulated illustrated pamphlets containing false and unfair statements.

In 1942, because I made on the floor of this House two talks protesting the abandonment of any portion of our sovereignty, the hauling down of the Stars and Stripes, I was summoned to appear before a grand jury here in Washington because some folks who were more enthusiastic than discreet, who were intensely American but had peculiar views on some other subjects than those pertaining to our national welfare, circulated some of those speeches.

These matters are referred to so that those of you who came to the Congress for the first time in January of this year may be advised not to take too seriously what someone says about you, what the press may write, or how your actions may be criticized or characterized.

The only suggestion I have to offer to the newer Members of this Congress is to, as I am sure you all will, listen to the advice of all who care to offer it, form your own opinion, follow your own judgment. You will then, when you come to the end of your service, have at least pleased yourself, have nothing to regret.

EXTENSION OF REMARKS

Mr. DEVITT asked and was given permission to extend his remarks in the RECORD and include an article.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, AND THE JUDICIARY APPROPRIATION BILL, 1948

Mr. STEFAN submitted the following conference report and statement on the bill (H. R. 3311) making appropriations for the Departments of State, Justice, and Commerce, and the Judiciary for the fiscal year ending June 30, 1948, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3311) making appropriations for the Departments of State, Justice, and Commerce, and the Judiciary, for the fiscal year ending June 30, 1948, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 36, 52, and 61.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 8, 10, 11, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 27, 31, 32, 33, 34, 39, 40, 41, 42, 44, 45, 47, 48, 49, 50, 51, 53, 55, 58, 60, 62, 64, 65, 67, 68, 69, 70, 71, 72, 74, 76, 78, 79, 83, 84, and 86, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "\$30,067,250"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert the following: "\$48,737,750"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "\$700,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$75,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$3,600,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "thirteen"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "\$3,900,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows:

"Pay and expenses of bailiffs: For pay of bailiffs, not exceeding one bailiff in each court, and meals and lodging for bailiffs or deputy marshals in attendance upon juries when ordered by the court, \$50,000: *Provided*, That none of this appropriation shall be used for the pay of bailiffs when deputy marshals or marshals or court criers are available for the duties ordinarily executed by bailiffs, the fact of unavailability to be determined by the certificate of the marshal." And the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$5,700,000"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$4,500,000"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,240,000"; and the Senate agree to the same.

Amendment numbered 73: That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$3,000,000"; and the Senate agree to the same.

Amendment numbered 77: That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$2,155,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 3, 5, 7, 9, 26, 35, 38, 43, 54, 63, 66, 75, 80, 81, 82, and 85.

KARL STEFAN,
WALT HORAN,
IVOR D. FENTON,
JOHN J. ROONEY,
J. VAUGHAN GARY,

Managers on the Part of the House.

JOSEPH H. BALL,
STYLES BRIDGES,
KENNETH S. WHERRY,
PAT MCCARRAN,
KENNETH MCKELLAR,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3311) making appropriations for the Departments of State, Justice and Commerce, and the Judiciary, for the fiscal year ending June 30, 1948, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

CORRECTIONS, ETC.

The following amendments are in correction of citation, totals, punctuation, text, spelling, and so forth: Amendments Nos. 1, 10, 16, 23, 24, 32, 33, 34, 41, 58, 60, and 67.

DEPARTMENT OF STATE

Amendment No. 3, relating to expenses of attendance at meetings: Provides \$30,000 as proposed by the Senate instead of \$26,000 as proposed by the House.

Amendment No. 4, relating to tolls: The House provided \$15,000; the Senate, \$65,000; the House recedes.

Amendment No. 6, the total appropriated for salaries and expenses, Department of State: The House provided \$20,000,000; the Senate, \$30,567,250; the conferees agreed upon \$30,067,250. None of the reduction below the Senate figure is to be applied to the International Broadcasting Division.

Amendment No. 8, printing and binding: The House provided \$720,000; the Senate, \$960,000; the House recedes.

Foreign Service

Amendment No. 11, commissary and mess service: The House provided \$200,000; the Senate, \$275,000; the House recedes.

Amendment No. 12, salaries and expenses, Foreign Service: The House provided \$46,830,000; the Senate, \$49,437,750; the conferees agreed upon \$48,737,750.

Amendment No. 13, living and quarters allowances: The House provided \$7,600,000; the Senate, \$8,130,000; the House recedes.

Amendment No. 14, representation allowances: The House provided \$500,000; the Senate, \$1,000,000; the conferees agreed upon \$700,000.

Amendment No. 15, printing and binding: The House provided \$155,000; the Senate, \$180,000; the House recedes.

Amendment No. 17, participation by United States in the work of the Bureau of Interparliamentary Union for Promotion of International Arbitration: The House provided \$20,000; the Senate \$30,000; the House recedes.

Amendment No. 18, relating to the appropriation provided in amendment No. 17: The House provided that \$10,000 be expended under the direction of the Speaker of the House of Representatives; the Senate struck out the House language and provided that \$15,000 be expended under the direction of the President and the Executive Secretary of the American group; the House recedes.

Amendment No. 19, relating to International Bureau of Weights and Measures: The House appropriated \$7,351; the Senate, \$8,314; the House recedes.

Amendment No. 20, International Civil Aviation Organization: The House appropriated \$350,000; the Senate, \$510,000; the House recedes.

Amendment No. 21, International Council of Scientific Unions: The House provided \$33; the Senate, \$163; the House recedes.

Amendment No. 22, International Geographical Union: The Senate appropriated \$552; the House, none; the House recedes.

Amendment No. 25, United States participation in United Nations: Retains the provision inserted by the Senate for the purchase of six passenger motor vehicles, one at not to exceed \$3,000.

Amendments Nos. 27 and 28, international activities: The House provided a limitation of \$50,000 for representation allowances; the Senate, \$100,000 for entertainment and representation allowances; the conferees agreed upon \$75,000 for entertainment and representation allowances.

Amendment No. 29: Appropriates \$3,600,000 for international activities instead of \$3,000,000 as proposed by the House and \$3,700,000 as proposed by the Senate.

Amendment No. 30: Provides for purchase of 13 automobiles instead of 18 as proposed by the House and 8 as proposed by the Senate.

Amendment No. 31: Makes the appropriation for International Boundary and Water Commission available for payment of tort claims as proposed by the Senate.

Amendment No. 36: Deletes authority proposed by the Senate for purchase of six automobiles.

Amendment No. 37: Appropriates \$3,900,000 for cooperation with American Republics instead of \$3,000,000 as proposed by the House and \$4,300,000 as proposed by the Senate.

Amendment No. 39: Authorizes use of \$35,500 for health service program as proposed by the Senate.

Amendment No. 40: Appropriates \$40,286,150 for Philippine rehabilitation as proposed by the Senate instead of \$42,786,150 as proposed by the House.

Amendment No. 42: Appropriates \$1,430,000 for liquidation of the information and cultural program as proposed by the Senate.

Amendment No. 44: Strikes out, as proposed by the Senate, language proposed by the House with respect to effect on future employment by the Government of persons discharged by the Secretary of State.

DEPARTMENT OF JUSTICE

Amendment No. 45: Appropriates \$2,500,000 for the Lands Division as proposed by the Senate instead of \$2,550,000 as proposed by the House.

Amendment No. 46: Appropriates \$50,000 for pay and expenses of bailiffs instead of \$230,000 as proposed by the House. The conferees are agreed that the Congress will look with disfavor upon any deficiency estimate for this item.

Amendment No. 47: Appropriates \$27,000,000 for Immigration and Naturalization Service as proposed by the Senate instead of \$27,445,000 as proposed by the House.

Amendment No. 48: Restricts, as proposed by the Senate, the payment for overtime service of employees of the Immigration Service to such payments as may be authorized by the Federal Employees Pay Act of 1945 and 1946.

Amendment No. 49: Appropriates \$18,646,730 as proposed by the Senate for penal institutions instead of \$18,750,000 as proposed by the House.

Amendment No. 50: Appropriates \$1,400,000 for medical and hospital services for penal institutions as proposed by the Senate instead of \$1,430,000 as proposed by the House.

Amendment No. 51: Appropriates \$1,750,000 as proposed by the Senate for support of prisoners instead of \$1,850,000 as proposed by the House.

DEPARTMENT OF COMMERCE

Amendment No. 52: Deletes language proposed by the Senate to authorize expenditure of \$1,000 for entertainment.

Amendment No. 53: Appropriates \$944,483 as proposed by the Senate for the Office of the Secretary instead of \$800,000 as proposed by the House.

Amendment No. 55: Appropriates \$650,000 for penalty mail as proposed by the Senate instead of \$600,000 as proposed by the House.

Amendment No. 56: Appropriates \$5,700,000 for census statistics instead of \$5,000,000 as proposed by the House and \$5,845,000 as proposed by the Senate.

Amendment No. 57: Limits amount which may be expended at the seat of Government by current Census Statistics to \$4,500,000 instead of \$3,800,000 as proposed by the House and \$4,645,000 as proposed by the Senate. It is the intention of the managers on the part of the House that under this provision the Department is expected to consolidate the Customs Statistics activities in New York, N. Y., rather than to maintain a portion at the seat of Government, as intended by the original provision in the bill in the House.

Amendment 59: Appropriates \$1,240,000 for Administration of the Bureau of the Census instead of \$1,200,000 as proposed by the House and \$1,245,000 as proposed by the Senate.

Amendment 61: Deletes authority for expenditure of \$2,000 for entertainment proposed by the Senate.

Amendment 62: Appropriates \$72,923,248 for salaries and expenses, Civil Aeronautics Administration, as proposed by the Senate instead of \$71,081,494 as proposed by the House. The conferees agreed that the amount indicated in the Senate report for general administration may be increased by \$400,000 for the specific purpose of maintaining and operating regional warehouses; also, that the limitation of \$1,500,000 imposed for operation of aircraft is increased to \$1,600,000; but that otherwise the Senate recommendation with respect to the number of class 1 and class 2 employees shall stand. A survey shall be conducted forthwith by the Civil Aeronautics Administration to determine the extent to which the State and municipal governments, the commercial air lines, and the military should participate in the maintenance and operation of air traffic control towers.

Amendment 64: Appropriates \$11,109,066 for air navigation facilities as proposed by the Senate instead of \$17,638,000 as proposed by the House.

Amendment 65: Strikes out, as proposed by the Senate, reappropriation of unexpended balance of appropriation for air navigation facilities.

Amendment 68: Limits the amount which may be transferred to appropriation for salaries and expenses to \$280,000 as proposed by the Senate instead of \$500,000 as proposed by the House.

Amendment No. 69: Authorizes purchase of two automobiles as proposed by the Senate instead of one as proposed by the House.

Amendment No. 71: Appropriates \$1,600,000 for technical development as proposed by the Senate instead of \$2,000,000 as proposed by the House.

Amendment No. 72: Appropriates \$1,102,500 for the Washington National Airport as proposed by the Senate instead of \$1,236,000 as proposed by the House.

Amendment No. 73: Appropriates \$3,000,000 for Civil Aeronautics Board instead of \$3,100,000 as proposed by the Senate and \$2,500,000 as proposed by the House.

Amendment No. 74: Appropriates \$40,000 for printing and binding as proposed by the Senate instead of \$35,000 as proposed by the House.

Amendment No. 76: Appropriates \$4,943,537 for the Bureau of Foreign and Domestic

Commerce, as proposed by the Senate instead of \$5,000,000 as proposed by the House.

Amendment No. 77: Appropriates \$2,155,000 for field office service instead of \$2,000,000 as proposed by the House and \$2,375,000 as proposed by the Senate.

Amendment No. 78: Appropriates \$1,450,000 as proposed by the Senate for administration, Bureau of Standards, instead of \$1,000,000 as proposed by the House.

Amendment No. 79: Appropriates \$21,052,000 for salaries and expenses, Weather Bureau, as proposed by the Senate instead of \$21,000,000 as proposed by the House.

THE JUDICIARY

Amendment No. 83: Appropriates \$3,631,295 for salaries, clerks of courts, as proposed by the Senate instead of \$3,600,000 as proposed by the House.

Amendment No. 84: Strikes from the bill language proposed by the House to close certain offices of clerks of courts.

Amendment No. 86: Appropriates \$865,000 for salaries of court reporters as proposed by the Senate instead of \$800,000 as proposed by the House.

MOTIONS WITH RESPECT TO AMENDMENTS IN DISAGREEMENT

The managers on the part of the House have directed that the following motions be made with respect to the amendments reported in disagreement:

To recede from disagreement and concur in Senate amendments Nos. 7, 9, 38, 43, 54, 63, 66, 75, 80, 81, 82, and 85.

Amendment No. 2: That the House recede from disagreement and concur with an amendment to correct punctuation.

Amendment No. 5: That the House recede from disagreement and concur with an amendment striking out of the proposed language authority to expend \$5,000 for entertainment.

Amendment No. 26: That the House recede from disagreement and concur with an amendment striking out a comma.

Amendment No. 35: That the House recede from disagreement and concur with an amendment reducing the amount proposed from \$12,000 to \$5,000.

KARL STEFAN,
WALT HORAN,
IVOR D. FENTON,
JOHN J. ROONEY,
J. VAUGHAN GARY,

Managers on the Part of the House.

Mr. STEFAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill H. R. 3311.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. STEFAN. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The Clerk read the statement.

Mr. STEFAN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER pro tempore (Mr. MICHENER). The Chair recognizes the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Speaker, I ask unanimous consent that amendments Nos. 7, 9, 38, 43, 54, 63, 66, 75, 80, 81, 82, and 85 be considered en bloc.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the amendments in disagreement.

The Clerk read as follows:

Senate amendment No. 7: Page 4, line 14, insert the following: *Provided further*, That notwithstanding the provisions of section 3679 of the Revised Statutes (31 U. S. C. 665), the Department of State is authorized in making contracts for the use of international short-wave radio stations and facilities, to agree on behalf of the United States to indemnify the owners and operators of said radio stations and facilities from such funds as may be hereafter appropriated for the purpose, against loss or damage on account of injury to persons or property arising from such use of said radio stations and facilities: *Provided further*, That not to exceed \$1,157,000 of the funds allocated to the International Broadcasting Division from this appropriation shall be available for personal services."

Senate amendment No. 9: Page 6, line 11, insert the following:

"North Atlantic fisheries: For necessary expenses of surveys, discussions, and other preliminary activities incident to the negotiation of an international agreement relating to conservation of the North Atlantic fisheries, \$25,000."

Senate amendment No. 38: Page 25, line 8, insert the following: "purchase of health and accident insurance for trainees (for whom such benefits are not otherwise allowed) while in the United States in pursuance of training programs."

Senate amendment No. 43: Page 28, line 23, insert the following: "The provision of law prescribing the use of vessels of United States registry by any officer or employee of the United States (46 U. S. C. 1241) shall not apply to any travel or transportation of effects payable from funds appropriated, allocated, or transferred to the Secretary of State or the Department of State."

Senate amendment No. 54: Page 46, line 7, insert the following:

"Technical and scientific services: For necessary expenses in the performance of activities and services relating to technological development as an aid to business in the development of foreign and domestic commerce, including all the objects for which the appropriation 'Salaries and expenses, Office of the Secretary,' is available (not to exceed \$25,000), for services as authorized by section 15 of the act of August 2, 1946 (Public Law 600), and not to exceed \$60,000 for printing and binding, \$790,000: *Provided further*, That the Secretary is authorized, upon request of any public or private organization or individual, to reproduce by appropriate process, independently or through any other agency of the Government, any scientific or technical report, document, or descriptive material, foreign or domestic, which has been released for public dissemination, and to sell such reproductions at a price not less than the estimated total cost of reproducing and disseminating same as may be determined by the Secretary, the moneys received from such sale to be deposited in a special account in the Treasury, such account to be available for reimbursing any appropriation which may have borne the expense of such reproduction and dissemination and making refunds to organizations and individuals when entitled thereto."

Senate amendment No. 63: Page 50, line 24, insert the following: "the construction and furnishing of quarters and related accommodations for officers and employees of the Civil Aeronautics Administration and

the Weather Bureau stationed at remote localities not on foreign soil where such accommodations are not otherwise available."

Senate amendment No. 66: Page 51, line 9, insert the following: "*Provided*, That the appropriation under this head for the fiscal year 1947 is hereby consolidated with and made a part of this appropriation to be disbursed and accounted for as one fund and to remain available until June 30, 1948: *Provided further*."

Senate amendment No. 75: Page 56, line 22, insert the following: "for the purchase (not to exceed 22), maintenance, operation, and repair of vehicles known as station wagons and suburban carry-alls without such vehicles being considered as passenger-carrying vehicles and."

Senate amendment No. 80: Page 63, line 13, insert the following: "and titles II and III of the Federal Employees Pay Act of 1945."

Senate amendment No. 81: Page 64, line 9, insert the following:

"The appropriations 'Salaries and expenses, Civil Aeronautics Administration'; 'Salaries and expenses, Civil Aeronautics Board'; and 'Salaries and expenses, Weather Bureau, shall be available under regulations to be prescribed by the Secretary, for furnishing on a reimbursable basis to employees of the Civil Aeronautics Administration, the Civil Aeronautics Board, and the Weather Bureau in Alaska and other areas outside the United States where determined necessary by the Secretary emergency medical services by contract or otherwise and medical supplies, and for the purchase, transportation, and storage of food and other subsistence supplies for resale to such employees, the proceeds from such resales to be credited to the appropriation from which the expenditure for such supplies was made and a report shall be made to Congress annually showing the expenditures made for such supplies and the proceeds from such resale; and appropriations of the Civil Aeronautics Administration and the Weather Bureau shall be available in an amount not to exceed \$20,000 for furnishing food, clothing, medicines, and other supplies for the temporary relief of distressed persons in remote localities, reimbursement for such relief to be in accordance with regulations prescribed by the Secretary."

Senate amendment No. 82: Page 66, line 1, insert the following:

"Preparation of rules for civil procedure: For expenses of the Supreme Court incident to proposed amendments or additions to the rules of civil procedure for the district courts of the United States pursuant to the act of June 19, 1934 (48 Stat. 1064), including personal services in the District of Columbia and printing and binding, to be expended as the Chief Justice in his discretion may approve, including per diem allowances in lieu of actual expenses for subsistence at rates to be fixed by him not to exceed \$10 per day, \$5,420."

Senate amendment No. 85: Page 73, line 5, insert:

"Miscellaneous salaries: For salaries of all officials and employees of the Federal judiciary, not otherwise specifically provided for, \$1,800,000: *Provided*, That the compensation of secretaries and law clerks of circuit and district judges (exclusive of any additional compensation under the Federal Employees Pay Act of 1945 and any other acts of similar purport subsequently enacted) shall be fixed by the Director of the Administrative Office without regard to the Classification Act of 1923, as amended, except that the salary of a secretary shall conform with that of the main (CAF-4), senior (CAF-5), or principal (CAF-6) clerical grade, or assistant (CAF-7), or associate (CAF-8) administrative grade, as the appointing judge shall determine, and

the salary of a law clerk shall conform with that of the junior (P-1), assistant (P-2), associate (P-3), full (P-4), or senior (P-5) professional grade, as the appointing judge shall determine, subject to review by the judicial council of the circuit if requested by the Director, such determination by the judge otherwise to be final: *Provided further*, That (exclusive of any additional compensation under the Federal Employees Pay Act of 1945 and any other acts of similar purport subsequently enacted) the aggregate salaries paid to secretaries and law clerks appointed by one judge shall not exceed \$6,500 per annum, except in the case of the senior circuit judge of each circuit and senior district judge of each district having five or more district judges, in which case the aggregate salaries shall not exceed \$7,500."

Mr. STEFAN. Mr. Speaker, I move that the House recede from its disagreement to the amendments of the Senate Nos. 7, 9, 38, 43, 54, 63, 66, 75, 80, 81, 82, and 85, and concur in the Senate amendments.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 2: Page 2, line 7, insert the following: "employment of aliens; temporary employment of persons in the United States, without regard to civil service and classification laws (not to exceed \$9,000)."

Mr. STEFAN. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate and concur therein with an amendment.

The Clerk read as follows:

Mr. STEFAN moves that the House recede from its disagreement to the amendment of the Senate No. 2 and concur in the same with an amendment as follows: "In lieu of the matter inserted by said amendment, insert the following: 'employment of aliens; temporary employment of persons in the United States, without regard to civil service and classification laws (not to exceed \$20,000).'"

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 5: Page 3, line 1, insert the following: "acquisition, production, and free distribution of informational materials for use in connection with the operation, independently or through individuals, including aliens, or public or private agencies (foreign or domestic), and without regard to section 3709 of the Revised Statutes of an information program outside of the continental United States, including the purchase of radio time (except that funds herein appropriated shall not be used to purchase more than 75 percent of the effective daily broadcasting time from any person or corporation holding an international short-wave broadcasting license from the Federal Communications Commission without the consent of such licensee), and the purchase, rental, construction, improvement, maintenance, and operation of facilities for radio transmission and reception; purchase and presentation of various objects of a cultural nature suitable for presentation (through diplomatic and consular offices) to foreign governments, schools, or other cultural or patriotic organizations, the purchase, rental, distribution, and operation of motion-picture projection equipment and supplies, including rental of halls, hire of motion-picture projector operators, and all other necessary services by contract or otherwise without

regard to section 3709 of the Revised Statutes; not to exceed \$5,000 for entertainment.

Mr. STEFAN. Mr. Speaker, I move the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. STEFAN moves that the House recede from its disagreement to the amendment of the Senate No. 5 and concur therein with an amendment as follows: "In lieu of the matter proposed to be inserted by said amendment insert the following: 'acquisition, production, and free distribution of informational materials for use in connection with the operation, independently or through individuals, including aliens, or public or private agencies (foreign or domestic), and without regard to section 3709 of the Revised Statutes of an information program outside of the continental United States, including the purchase of radio time (except that funds herein appropriated shall not be used to purchase more than 75 percent of the effective daily broadcasting time from any person or corporation holding an international short-wave broadcasting license from the Federal Communications Commission without the consent of such licensee), and the purchase, rental, construction, improvement, maintenance, and operation of facilities for radio transmission and reception; purchase and presentation of various objects of a cultural nature suitable for presentation (through diplomatic and consular offices) to foreign governments, schools, or other cultural or patriotic organizations, the purchase, rental, distribution, and operation of motion-picture projection equipment and supplies, including rental of halls, hire of motion-picture projector operators, and all other necessary services by contract or otherwise without regard to section 3709 of the Revised Statutes.'"

Mr. STEFAN. Mr. Speaker, in bringing up this conference report, I want to state to the House that while neither side was completely satisfied with the results obtained, we are in complete accord. The major issue involved was, of course, the information and cultural activities of the Department of State for which the Senate has recommended the amount of \$13,400,000 which, however, included \$1,430,000 for terminal-leave payments made necessary because of the fact that under the limited funds provided a great portion of the employees will have to be terminated. The House was successful, however, in reducing this over-all amount by \$1,000,000, leaving a net of \$12,400,000 for this activity. It was the thought of the conferees that if this activity was to be continued at all, this was about the minimum that should be provided. I should also like to tell the House that the major portion or \$6,387,250 is for the international broadcasting. In other words, the amount provided definitely limits the amount for other activities that are presently being carried on by this organization.

Other items were mostly a matter of compromise. We were successful, for instance, in saving \$300,000 in the representation allowance of the State Department Foreign Service. With respect to the Office of Technical Services in the Commerce Department, the House conferees went along with the greatly reduced amount for this activity but with the understanding that the Department is to give serious consideration to the liquidation of this activity as such when the bulk of German scientific and tech-

nical data is processed. The House conferees feel that by and large, the intent of the House in its original enactment of this bill have been carried out.

Mr. Speaker, several Members have asked me to explain that the matter of the court offices in which some of them were interested remains in the bill as the Senate has included in the bill the clerks and other assistants for the Federal courts over which some of the Members have been concerned and which was stricken out of the bill on a point of order in the House because it was legislation on an appropriation bill. That has been restored and the matter taken care of.

Every member of the committee signed the report and it comes to you as a unanimous report.

Mr. Speaker, I yield 10 minutes to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Speaker, I have no intention of consuming the time of the House on this report. I do, however, want to emphasize what the chairman of our committee has said, that none of us are entirely satisfied with the results that have been accomplished. There are some items in which we yielded very reluctantly. I am greatly distressed that the bill carries only \$12,400,000 for the information and cultural program of the Department of State. I personally am convinced that the amount is wholly inadequate to carry on a satisfactory program. However, in appropriation bills we have to give and take. The Democratic conferees, believing that they have gotten the best agreement possible, have signed the report so that the appropriations of the various departments will not be longer delayed. We desire the record to show, however, that although we present a unanimous report as to certain items we signed with great reluctance.

The SPEAKER pro tempore. The question is on the motion.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 26: Page 16, line 9, insert "entertainment."

Mr. STEFAN. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate No. 26 and concur therein with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert "entertainment."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 35: Page 22, line 23, insert the words "not to exceed \$12,000 for entertainment."

Mr. STEFAN. Mr. Speaker, I offer a motion, which is at the Clerk's desk.

The Clerk read as follows:

Mr. STEFAN moves that the House recede from its disagreement to the amendment of the Senate No. 35 and concur therein with an amendment as follows: "In lieu of the matter proposed to be inserted by the

Senate amendment insert the following: "not to exceed \$5,000 for entertainment."

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Nebraska [Mr. STEFAN].

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

EMPLOYERS' LIABILITY ACT

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 270, Rept. No. 788), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 1639, to amend the Employers' Liability Act so as to limit venue in actions brought in United States district courts or in State courts under such act. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on the Judiciary now printed in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

SCHICK GENERAL HOSPITAL, CLINTON, IOWA

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 271, Rept. No. 789), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 54) to provide for the use of Schick General Hospital at Clinton, Iowa, for the Veterans' Administration. That after general debate, which shall be confined to the concurrent resolution and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Veterans' Affairs, the concurrent resolution shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the concurrent resolution for amendment, the Committee shall rise and report the concurrent resolution to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the concurrent resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. HALLECK. Mr. Speaker, I take this time in order to announce the program for next week.

On Monday the Consent Calendar will be called. There is a considerable number of bills on the calendar and it will

probably take some time to dispose of that.

It is then proposed to take up such suspensions as the Speaker may recognize.

On Tuesday it is hoped we can dispose of the tax bill.

For the balance of the week, Wednesday, Thursday, Friday, and Saturday, we will plan to take up the District of Columbia appropriation bill; S. 564, the succession bill; H. R. 4075, the sugar bill; H. R. 4051, to amend the Natural Gas Act; H. R. 3813, the loyalty bill; S. 526, the scientific-foundation bill; Senate Joint Resolution 123, repealing certain emergency laws; House Concurrent Resolution 54, having to do with the Schick Hospital; H. R. 1639, amending the Employers' Liability Act; H. R. 1602, the mineral-resources bill.

Conference reports, of course, may be called up at any time they are ready; and, in addition, any urgent rules, not listed, may be called up during the week if time permits.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. RAYBURN. The terminal-leave-pay bill will be taken up Monday?

Mr. HALLECK. I suspect that is one of the suspensions that will be called on Monday.

EXTENSION OF REMARKS

Mr. O'HARA asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. ELLIS asked and was given permission to extend his remarks in the Appendix of the RECORD and include excerpts from a newspaper.

Mr. SPRINGER asked and was given permission to extend his remarks in the RECORD.

SPECIAL ORDER

The SPEAKER pro tempore. Under previous special order of the House, the gentleman from Illinois [Mr. MASON] is recognized for 30 minutes.

Mr. MASON. Mr. Speaker, we Americans were once a carefree and happy people. When we earned a dollar we could do with it as we pleased. That was before the New Deal Era; before the New Deal levied the present burdensome income tax upon 45,000,000 taxpayers that had never before paid a direct Federal tax; before Uncle Sam started reaching into the pay envelopes of the working men of America and extracting "his cut" of the amount found therein. Today Uncle Sam takes from 20 cents to 80 cents out of every dollar earned, depending upon the size of the person's income and the tax bracket in which he is placed. That is how we pay today for the something-for-nothing program of the past decade.

The following interesting comparison shows plainly to what extremes we have gone with our Federal income tax.

In 1748, when George Washington was 16 years old, the German barons of Prussia issued a partial emancipation proclamation which stated that from then on the German serfs could have 2 days each week to work for themselves and their families, that hereafter they would

only be required to work 4 days per week for their masters—the German Government of that day. This was equivalent to reducing the 100 percent tax upon a serf's time to a 66⅔ percent tax upon his time.

On the basis of 300 working days per year the American citizen today in the lower brackets—below \$3,000—is required to work only 17 days per year for the Government; in the \$3,000 to \$5,000 bracket, 36 days per year; \$5,000 to \$10,000, 52 days; \$25,000 to \$50,000, 126 days; \$250,000 to \$700,000, 230 days; and over \$700,000, 260 days per year. So the American citizen in the top income bracket today is required to work for his Government more days per year than the German serf of 200 years ago. He is actually required to work for his Government 5 out of 6 days every week in the year.

Mr. Speaker, there is no more pertinent statement in the field of taxation than "The power to tax is the power to destroy." I am opposed to high taxes, not primarily because they place a burden upon the rich, but because they prevent the poor from becoming rich. The ambitious individual—the Fords and Edisons—who dreamed dreams and launched out on some business venture in the days of low taxes has already made his mark. He has accumulated his capital, and become a captain of industry. The acid test of a system of taxation is not its effect upon the man who has already achieved, but rather its effect upon the ambitious young man just starting out to achieve.

Collecting taxes is like taking blood from a human body for a blood bank. If we take too much at a time we run the risk of weakening the patient so that he cannot give blood another day. Whenever a tax takes too much or too often from the channels of business, business is weakened and the Treasury loses. When virile, forward, venturesome young men are permitted to grow and expand in a favorable tax climate, the Treasury gains. High tax rates produce an economic anemia that prevents business expansion and makes it impossible for an ambitious, venturesome young man to achieve.

Mr. Speaker, jobs and taxes are tied together. They cannot be separated. They are closely related. High tax rates mean a contracting national economy, fewer jobs, and increasing unemployment. Low tax rates mean an expanding national economy, more jobs, and little if any unemployment.

Our present tax rates are confiscatory; they have passed the point of diminishing returns; they are drying up the streams of investment capital; they are discouraging business expansion and preventing new enterprises from being established. When manufacturers are forced to hand over to Uncle Sam 80 cents out of every dollar they make in profit—as many of them are required to do today—there is no incentive to expand, to create new jobs, to produce more goods for a hungry consuming public. Our tax rates should not discourage new ventures and the taking of business risks. The present tax rates do just that. When over-all taxes take more than one-fourth the total national

income as they do today, the tax load is too heavy upon the average taxpayer. When the tax load in the higher brackets takes 80 cents out of every dollar the taxpayer receives, as it does today, it kills the goose that lays the golden eggs—the golden eggs in this case being more jobs and additional pay rolls for the workmen of America.

The present over-all tax load upon the average American taxpayer must be lightened considerably, and the extra heavy tax load upon the taxpayer in the high brackets must also be lightened considerably if 60,000,000 jobs are to be created and maintained. Any Boy Scout knows that the proper adjustment of the pack on his back will enable him to carry a load that would otherwise become unbearable upon a long hike. The job of the Congress today is not only to lighten the tax load upon the average American taxpayer but also to adjust the tax load in such a way that jobs will be created and maintained.

Mr. Speaker, the Ways and Means Committee is at present holding public hearings on a long overdue revision of our Federal tax laws. The present laws are the result of compromise developed over many years of piecemeal tax legislation. They constitute today a Federal tax system resembling the patchwork of a crazy quilt. These public hearings will continue for several months and will cover the following fields of taxation:

First. Business taxes: Corporate rates, taxation of dividends, taxation of small business, taxation of partnerships, and taxation of cooperatives.

Second. Individual income taxes: Rates, exemptions, family income, pensions and annuities, and earned income.

Third. Excise taxes: Rates, luxury taxes, liquor taxes, tobacco taxes, transportation and communication taxes.

Fourth. Social-security taxes: Extension of present coverage, and rates necessary to make funds actuarially sound.

Fifth. Estate and gift taxes: Rates and incentive to accumulate.

Sixth. Technical tax matters: Administrative difficulties, simplification and clarification of language, and so forth.

The committee has set a gigantic task for itself. If the task is to be completed, the committee must receive the fullest cooperation from all quarters and from all interested groups. As a result of these hearings a comprehensive tax bill will be prepared, ready for introduction in the House next January.

In connection with tax revision the Congress must take into account and decide upon: First, the Federal budget; second, reduction of Government expenditures; third, substantial and regular payments upon the national debt.

The President's budget estimate of \$37,500,000,000 is based upon the present national income of \$166,000,000,000. That is the highest national income in our history. As recently as 1940 our national income was only 77.6 billions. The President's budget estimate is also based upon the most burdensome tax rates even known in peacetime. His budget therefore presupposes the continuation of an inflated national income and oppressive war tax rates, neither of which can be expected to continue. The

Federal budget must be drastically cut before tax revision can be accomplished.

The first steps in expenditure reduction are now being taken. When the Congress gets through with the appropriations for the next fiscal year there will be a reduction of about \$5,000,000,000. An estimated surplus for this year of three or four billion dollars, plus the expected reduction in next year's expenditures, should provide ample funds to balance the budget, to make a substantial payment on the national debt, and to take care of a tax-reduction program.

Mr. John W. Snyder, Secretary of the Treasury, in testifying before the Ways and Means Committee defined a sound tax program as one that:

(a) Will produce adequate revenue for Government needs.

(b) Will be equitable in its treatment of different groups.

(c) Will interfere as little as possible with incentives to work, to save, and to invest.

(d) Will maintain broad consumer markets so essential for high-level production and employment.

(e) Will be simple to administer and easy to comply with.

(f) Will be flexible so as to avoid frequent revisions of the basic tax structure. This means a stable tax structure with flexibility confined to changes in rates and exemptions.

I agree fully with the items listed by Secretary Snyder as essential qualities of a sound tax structure.

Mr. Speaker, the following are interesting facts and figures in connection with our present tax system that must be considered in any tax-revision program:

First. Forty-seven million persons who pay Federal income taxes have incomes of \$5,000 per year or less; they receive 80 percent of the total national income, but pay only 56 percent of the total tax collected.

Second. Two million persons who pay Federal income taxes have incomes of more than \$5,000 per year; they receive 20 percent of the total national income, but pay 44 percent of the total tax collected.

Third. Under present law an individual receiving an income of \$50,000 pays a tax 27 times as large as that paid on a \$5,000 income; and an individual receiving an income of \$300,000 pays a tax 255 times as large as that paid on a \$5,000 income. These tax loads are out of all proportion, and should be adjusted properly.

Under the Knutson tax-reduction bill, passed by the Congress, but vetoed by the President, the average American family of four would have paid taxes as follows:

A yearly income of \$2,000 or below, no tax.

Yearly income	Yearly tax	Percent of income
\$2,100.....	\$13	0.6
\$2,500.....	67	2.7
\$5,000.....	471	9.4
\$10,000.....	1,490	14.9
\$50,000.....	19,280	38.6
\$100,000.....	49,841	49.8
\$500,000.....	341,300	68.2
\$1,000,000.....	728,050	72.8

Mr. Speaker, when a tax bill takes less than 1 percent of the income of a person in the lowest tax-paying bracket and 72.8 percent of the income of a person in the upper tax-paying bracket, how can anyone honestly call it a rich man's tax bill? Yet that is exactly what President Truman did in his veto message.

It is interesting to note in this connection that less than 2 years ago President Truman signed the Revenue Act of 1945, which was a Democratic tax measure sponsored by Congressman ROBERT DOUGHTON, then chairman of the Ways and Means Committee. The Revenue Act of 1945 provided tax relief totaling \$6,000,000,000 per year, most of which went to corporations, and this was done in the face of a \$20,000,000,000 budget deficit. Now President Truman has vetoed a Republican tax reduction bill that proposed to give 49,000,000 individuals tax relief amounting to \$4,000,000,000, most of which would have gone to taxpayers in the lower brackets. The bill was vetoed in spite of the fact that a Treasury surplus of several billion dollars is expected during the present fiscal year.

In taking this action President Truman brushed aside the advice of such Democratic leaders as Senator GEORGE and Congressman DOUGHTON, who told him the country needed tax relief now. These two men are outstanding tax authorities, each having been chairman of the respective tax committees of the Senate and the House. President Truman preferred to follow the advice of lesser men who do not understand that this Nation cannot long maintain full employment, full production, and a sound economy, and at the same time carry the present excessive wartime tax load. President Roosevelt vetoed a tax bill, the first tax bill ever to be vetoed by an American President. At that time President Truman, then Senator Truman, joined Senator BARKLEY in denouncing the veto message and helped by his vote to override that veto.

Mr. Speaker, America was once famous the world over as the land of opportunity, the land where there was no limit to the progress that might be made by the intelligent, industrious, and ambitious youth. We boasted of our Henry Fords and our Thomas Edisons who started with almost nothing and built up industrial empires. Under our present income-tax structure such advancement has been rendered virtually impossible. Our Federal tax system must be completely overhauled with a view to once again making it possible for ambitious young men to achieve. It is the ambitious young man with an idea that builds industrial empires, provides thousands of jobs for the workmen of America, increases productivity per man-hour, and makes possible the highest wage scales and the highest standard of living in the world. He cannot do this, however, without a favorable tax climate that permits growth and expansion. It is the responsibility of Congress to provide that favorable tax climate. Not until we do so will America deserve again the title "the land of opportunity."

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Nebraska [Mr. CURTIS] is recognized for 60 minutes.

SYNTHETIC RUBBER AND OUR AGRICULTURAL ECONOMY

Mr. CURTIS. Mr. Speaker, in my remarks today I want to deal with our synthetic-rubber industry and its relation to a sound agricultural economy in the country. However, before going into that phase of the matter, I want to again call attention to the importance of our synthetic-rubber industry to our national security. This has been well stated in an editorial appearing in Collier's on June 21, 1947, entitled "Watch Those Rubber Plants." The editorial is as follows:

As we can hardly recall too often for our own good, the Japanese came near winning the recent war by cutting the United States off at one murderous swoop from the Far East sources of some 90 percent of its natural-rubber supply.

It if hadn't been for Bernard M. Baruch, William M. Jeffers, and the furious energy and exuberance of United States industry, we'd have had a transport break-down on both the fighting and the home fronts, and that break-down in all probability would have lost the war for the Allies.

As things turned out, we built an enormous synthetic-rubber industry—about \$750,000,000 worth—and this apparatus, with a peak capacity of more than 1,000,000 tons a year, kept our fighting forces and the home front adequately supplied.

All that being history, producers of natural rubber are now doing their best to persuade us to scrap our synthetic equipment and go back to the natural article entirely. Propaganda is being warmed up; attacks are being made on us for alleged cruelty to the Far East rubber producers; and so on and so forth.

To all this yatata-yatata, our reaction should be and continue to be: "Ah, nuts."

There is no objection that we know of to our taking reasonable quantities of natural rubber. It would be foolish just to boycott the stuff, thereby injuring the Far East rubber people unduly and, more to the point, also hurting our own Far East export trade.

But as for scrapping our synthetic-rubber apparatus, let's not. Let's put some of it in stand-by condition, ready to get going again at any moment; but let's also keep a goodly percentage of it turning out rubber for the United States and other markets, and improving synthetic-rubber techniques as time goes by.

To ask us to take a slash at our own throats by risking another sundering of oceanic rubber life lines is the height of impudence, and we should rebuff all such suggestions with the scorn they deserve.

In order to provide rubber for national defense and to provide a market for the products of the farm, I have introduced H. R. 2704, the details of which will be discussed later in my remarks.

I am indebted to Dr. Leo M. Christensen, director of research and engineering of the National Agrol Co., of Lincoln, Nebr., for the research, facts, figures, formulas, and many of the proposals hereinafter stated. The Nation's scientists are pointing the way to a better day for American agriculture. Dr. Leo M. Christensen has done as much or more in this field as any American.

THE CASE FOR FARM-PRODUCED SYNTHETIC RUBBER

During World War II the American farmer supplied the raw materials for the manufacture of approximately half the total production of synthetic rubber, which reached a value practically double the prewar importation of natural. That is, the American farmer supplied the raw materials for almost as much rubber as was previously imported. No other technological development of the war period was more important in practical results, not even the production of the atomic bomb. Furthermore, this accomplishment may have fully as great future significance as that of atomic energy. The two developments are of similar fundamental character, since both depend upon atomic fission and both establish a new basis of distribution of the world's resources. In the case of rubber, the energy release takes place in the sun, supplying radiant energy for the photosynthesis of starch, which in turn is converted to alcohol, from which the butadiene is made for polymerization with styrene to yield rubber; and since such radiant energy reaches all parts of the world with little partiality, there can be not monopolistic control of its use.

Agricultural interests are now faced with the problem of keeping this new business. During the war, price was not a factor; only the rate of production and the ability to increase this rate fast enough to meet the war requirements was of importance. Now price has become the primary factor, and the alcohol-synthetic rubber is not able to meet the competition of natural rubber from abroad or of synthetic from petroleum. Solution of this price problem is, therefore, a basic task for these agricultural groups.

But this is not simply a farmer's problem, or a problem of that segment of the synthetic rubber industry that is based upon the use of farm crops. All elements of the national economy will be affected by the answer finally developed. Because of the very broad economic significance of this situation, which will be analyzed more fully in the following, it behooves all interests, business, industrial, financial, agricultural, and technical alike, to give careful consideration to the factors involved and to the impact upon the total economy of the plan finally developed. Only in its superficial aspects is this a farm problem; actually it is a national problem of the first order.

FARM SURPLUSES ENDANGER THE NATIONAL ECONOMY

American agriculture underwent a profound technological revolution during the war years. Under the inducement of high prices, farmers put to work the achievements of a quarter century of agricultural research at a rate no one had thought possible. New crop varieties, new cultural methods, new fertilization techniques, and many other production improvements that had been developed in the agricultural experiment stations, Federal laboratories and in privately financed research, had lain practically dormant for a long time, but

with high prices, labor shortage, and patriotic appeal for more production, the farmer put them to use on a large scale. The result is told in the data on farm production. Total tonnage of farm products increased 36 percent during the war years, on somewhat smaller cultivated acreage with less manpower. Machinery shortages and other factors prevented the full application of the new methods, and during the next few years further increases can be expected. This technological trend is, of course, irreversible; there can be no return to the lower efficiency of prewar days.

Farm-crop production before the war was something like 12 percent above that which the then existing markets could absorb at price levels that would avoid an agricultural depression. Then the present productive capacity is 48 percent greater than that which the markets can take unless there has been a change from prewar market conditions.

There is presently a much larger market for American farm crops than existed before the war. This is wholly the result of the determination to feed all the hungry peoples of the world, and during the past year about one-third of the wheat crop and large amounts of other foods were exported. No thinking American believes that this program will long continue. First, we cannot afford such a large degree of charity, and, second, it will be doing harm to the economy of all other nations, the recipients of the present charity included. This fact is fully recognized by the men who are charged with planning the international marketing of farm products. Thus, in the International Wheat Conference held in London, it is the expectation of all concerned that at the best American agriculture will supply to the buyers in international markets practically the same amount of wheat that was sold there in the prewar period. Actually, the market may shrink, because of the programs for restoration and expansion of agricultural productivity in other countries, which the United States is quite properly encouraging.

The domestic market for farm products, which has always greatly overshadowed the foreign sales, has not profoundly changed. Actually, it may have undergone some small shrinkage. Thus, the important gains made by rayon and nylon in tire construction have certainly reduced the market for cotton. Improvements in the preservation, transportation, and marketing of perishables, including the greatly expanded use of quick freezing, dehydration, air transportation, and refrigeration, certainly will reduce the large loss of foods between producer and consumer. Only the increase in population is working toward a greater domestic consumption of farm products, and this is so small that its effect will undoubtedly be overshadowed by other factors.

It has been argued by some that destruction of trade barriers will enlarge the demand for American farm products abroad. This is not in any way supported by facts, however, and it seems highly improbable that any such result can be realized. When the list of our imports

is examined, it is perfectly evident that in the prewar period the bulk of the imports into the United States consisted of farm products or of materials derived from them. It is only necessary to cite sugar, rubber, newsprint, vegetable oils and industrial starches to indicate the large volume of such imports. Exports were largely manufactured goods. That is, if perfectly free international trade were set up, the United States might expect to export more manufactured goods and import more farm products, because while American manufacture is fully able to compete with that of other countries, American agriculture is not, unless there is a reduction of living standards to the peonage of foreign countries, which is not now and is not likely to be the national policy.

There is now quite general agreement, and hence no need to argue the point, that if there should be a large deflation in farm-produce prices there will inevitably be a corresponding general deflation. If the deflation should reach depression proportions, a national depression will certainly follow, with widespread unemployment. While industry and labor might in time adjust themselves to the new economic order, the Federal Government cannot, because of the large public debt, and therefore the entire national economy could collapse. There is common agreement that only by maintaining something approaching present price levels can the Federal debt be handled. Certainly it would become unmanageable should there be a depression like that of 1930-35.

In the prewar agricultural program crop production was reduced by paying the farmers to retire acreage. In addition large amounts of farm products were dumped abroad or were given to low-income groups through the stamp plan. To obtain a reduction in acreage and to handle the supplementary dumping program cost an average of around \$800,000,000 per year. Then to handle a surplus four times as large would cost \$3,200,000,000 per year at the old price levels and at least twice as much with price levels as of today.

It certainly will be wise to retain some of the features of the prewar farm program, including loan provisions, storage against enlarged demand or reduced production, and encouragement of soil conservation, but the negative plan of curtailing production should be avoided unless all other efforts fail to prevent a price collapse. This was recognized in a resolution by the Wheat Growers National Committee adopted in its meeting in Omaha, Nebr., in February 1947, in which it was advocated that all other means to prevent a price collapse be used before production curtailment is invoked. It seems obvious, in view of the cost of such a program and its negative character, that production control should be employed only as a last resort.

It was this kind of reasoning that led to the publication of the editorial *Chemurgy or Chaos* in *Chemical and Metallurgical Engineering* for November 1945:

CHEMURGY OR CHAOS

American agriculture emerged from this war geared to produce 30 to 35 percent more

than before Pearl Harbor. * * * We have had a veritable revolution in production. This revolution is not reversible. We neither want nor can we go back to prewar days. Wartime production levels in agriculture will tend to persist regardless of economic conditions. Total farm production is responsive to increased prices or income. But, once expanded, it is not quickly responsive to low prices or depressed conditions.

Thus an official spokesman of the Department of Agriculture talked to the National Retail Farm Equipment Association in St. Louis on October 23, frankly admitting that we can expect to have large surpluses of agricultural materials offered on the market regardless of domestic demand. For this there can be only one answer. New uses must ultimately be developed. Only for a time will the surplus find a market abroad or be used through UNRRA for relief. After that there will be either chemurgy or chaos.

Chemical engineers must prepare to apply new science for the conversion of these farm surpluses into nonfood products in large quantity or the agricultural population of America will suffer sadly. There seems to be no escaping this responsibility, because we know that the official interpretation is correct. Farm producers will not turn back to low yields or small crop practices. It is a serious prospect both for agriculture and for chemurgy.

Synthetic rubber is important in this connection, not so much because it can utilize up to 100,000,000 bushels of grain per year, but because any plan or program that will open the door for a large scale farm-produced rubber manufacture will automatically provide many other new markets, because alcohol, butylene glycol or other intermediate made from farm products is of interest in many other chemical industrial operations at prices they can bring in the rubber industry. This matter will be more adequately treated in a subsequent section of this report.

THE VALUE OF ALCOHOL IN THE SYNTHETIC RUBBER INDUSTRY

Perhaps in discussing this matter, it would be well to define a few of the terms that will be used:

GR-S is a general-purpose synthetic rubber. This definition does not preclude a special-purpose rubber from becoming a general-purpose rubber.

Butadiene is one of the principal components of GR-S, and is obtained from petroleum hydrocarbons or alcohol. It is a gas at ordinary pressures and temperatures, but is easily liquified by cooling.

Butylene is a petroleum derivative used in producing butadiene.

Styrene is one of the principal components of GR-S, whether it is made from petroleum or alcohol. It is a colorless liquid which is made from benzol and ethylene.

The Rubber Reserve Company, in its report on the rubber program 1940-45, issued February 24, 1945, presented data on the operations of the synthetic program. Included are cost data on the manufacture of butadiene from butylene and from alcohol, and on the cost of rubber from that butadiene. Dr. Christensen has analyzed this report and I want to give you certain conclusions drawn by him.

In this report the costs are stated in terms of a pound of resultant GR-S

rubber. Styrene cost is assumed constant at \$0.011 and conversion at \$0.045 per pound of GR-S, a total of \$0.056 per pound. In stating the cost of producing GR-S from each source, capital charges are not given, but they can be calculated from the investment values which are supplied. The investment in the butylene-butadiene rubber industry is given as \$544 per annual ton, and if a total capital charge of 20 percent is assumed to cover insurance, taxes, interest, and amortization, which these war plants did not pay, this cost becomes $\frac{\$544 \times 0.20}{2000}$

\$0.054 per pound of GR-S.

The investment in the alcohol-butadiene rubber industry is given at \$292 per annual ton, which with a capital charge of 20 percent, becomes $\frac{\$292 \times 0.20}{2000}$

\$0.029 per pound of GR-S.

The costs of butadiene from butylene and from alcohol are given without capital charges as shown in table 1, and costs of GR-S, involving the styrene and conversion costs above are also included in this table.

TABLE 1.—Cost of butadiene and of GR-S made from alcohol and from butylene at several price levels

	Cost of butadiene per pound GR-S, without capital charges	Cost of GR-S per pound, including capital charges
Alcohol cost, per gallon:		
\$0.15.....	\$0.058	\$0.143
\$0.20.....	.072	.157
\$0.25.....	.085	.170
\$0.30.....	.098	.183
\$0.50.....	.152	.237
\$0.90.....	.262	.347
Butylene cost per gallon:		
\$0.04.....	.038	.148
\$0.06.....	.042	.152
\$0.08.....	.046	.156
\$0.10.....	.051	.161

From these data, by graphical analysis, the competitive values of alcohol and butylene can readily be calculated. These as shown in table 2.

TABLE 2.—Competitive values of butylene and alcohol for butadiene manufacture

Butylene value per gallon delivered	Alcohol value per gallon delivered
\$0.050.....	\$0.188
.060.....	.197
.070.....	.204
.080.....	.211
.090.....	.219
.100.....	.227
.110.....	.235
.120.....	.242
.140.....	.250

Various estimates have been presented forecasting the cost of butylene in the future. Obviously there is no single cost. In one plant it may be a minor byproduct whose value may be almost any figure, depending upon the accounting system. In another plant it may be a much more important product and have an entirely different value. Because of its value in aviation fuels, it does not seem likely it will ever sell at less than \$0.12 per gallon, and it may bring \$0.14 per gallon. The competitive value of alcohol is thus substantially \$0.25 per gallon.

The price data for both butylene and for alcohol are on the basis of delivery at the butadiene plant. In both cases transportation charges must be added and it is reasonable to consider that they are equal. Thus the prices have the same comparative values at the point of origin, in which case the GR-S rubber made from them will cost \$0.17 per pound plus a transportation charge estimated at \$0.05, to give a total GR-S cost of \$0.22 per pound, which was the average prewar cost of natural rubber. Presumably the postwar price will not be less.

It is not a simple matter to arrive at a figure for the cost of alcohol made from farm products. First, there is no single cost applicable to all plants at any one time. Thus, during the war the plants selling alcohol to the Government on a cost-plus basis charged prices ranging from 59 cents to \$1.64 per gallon, with grains costing substantially 2 cents per pound. This is, of course, a reflection of the high degree of obsolescence in the industry. In the event of a long term program, it is reasonable to assume that all participating plants will equal or slightly better the performance of the best unit of the war program, and can sell alcohol at not over 60 cents per gallon with grains at 2 cents per pound, which is 35 cents per gallon above its competitive value.

But grain prices are today $2\frac{1}{2}$ cents to 3 cents per pound, and the most efficient of the present plants must charge 75 cents per gallon for its alcohol. The average alcohol price is today 98 cents per gallon, which is again an indication of the extremely low efficiency in many of the plants. That is, if present grain prices prevail, the price disadvantage is 50 cents per gallon in the best of present plants.

No one believes that grain prices will long continue at present levels, but what will be the future price is a hazardous guess. Present parity price for corn is \$1.32 per bushel calculated to the major corn area, and this rises or falls with the general economic condition. During the next year or two it may fall, perhaps to \$1 per bushel. Artificial price support probably will be invoked to hold grain prices at something like $1\frac{1}{2}$ cents per pound, or 84 cents per bushel for corn, but there is a general opinion that prices may decline to lower levels.

This consideration shows how difficult it is to arrive at any idea of the price differential that must be overcome. It is currently \$0.50 per gallon of alcohol, \$1.25 per bushel of grain, or \$0.136 per pound of rubber. With grains at around \$0.015 per pound, which guessing indicates as the probable maximum in the near future, the price disadvantage becomes not more than \$0.20 per gallon of alcohol, \$0.50 per bushel of corn, or \$0.055 per pound of rubber. If grain prices decline to around \$0.01 per pound, which many think is likely, the price disadvantage drops to less than \$0.10 per gallon of alcohol, \$0.25 per bushel of corn, or only \$0.028 per pound of rubber. For the purposes of the present analysis, it will be considered that the price disadvantage is \$0.20 per gallon of alcohol, \$0.01 per pound of grain, or \$0.055 per pound of rubber, and this seems a

reasonable and logical basis for starting the development of a program.

Four general methods for overcoming this price disadvantage have been proposed in discussions concerning this matter. These proposals are analyzed in the following sections.

FIRST PROPOSAL—MANDATORY LEGISLATION

In this procedure national legislation would simply require that all processors buy some specified amount of rubber derived from farm products produced within continental United States. Perhaps the alcohol and the butadiene manufacturers and others in the chain converting the farm product to rubber would be required to operate under some profit limitation or under price ceilings.

It is argued that this is a simple and highly effective procedure and that it requires almost no expenditure of public funds. With only 6 to 8 pounds of rubber per tire, the motorist would pay only \$0.33 to \$0.44 more per tire if all the rubber were made from alcohol at the assumed price, and this differential would decrease as grain prices return to more nearly normal levels. This seems almost insignificant when considered on this basis, but it amounts to \$55,000,000 increase per 500,000 tons of rubber, or about a year's supply. If only half the total rubber were made from alcohol, the price advance would, of course, be half as large. As grain prices return to more nearly normal, the cost of such a program would decline, probably to about one-half the above levels.

Mandatory use of specified materials has long been common in European countries. Thus alcohol produced from farm crops was used in motor-vehicle fuels in specified amounts under such legislation, the objectives being the disposal of crop surpluses, the greater development of national security, conservation of natural resources, and the improvement of international-trade balances. In some countries the amount of alcohol was varied from year to year, to take into account the variations in crop production.

It is impossible to make an adequate economic analysis of this procedure because of the intangible factors involved. But it is obvious that above some alcohol price level such a plan is not economically sound, and it seems very doubtful that such a program can justify more than the price differential of \$0.055 per pound calculated as presently effective.

In European countries where people are accustomed to rigid legislative controls, such mandatory use of farm crops has caused little or no concern. But the American people are not psychologically situated to accept such a program in a similar acquiescent manner. All sorts of evasion, blackmarketing, and other undesirable results would certainly arise.

SECOND PROPOSAL: DIFFERENTIAL TAXATION

By the application of an import duty on natural rubber and an internal tax on rubber derived from petroleum, with alcohol-produced rubber exempt from such tax, the price disadvantage can be eliminated. A tax differential of \$0.055 per pound would equalize prices now or soon possible and this could be reduced,

perhaps to \$0.028 per pound, as grain prices return to something like normal.

Such a program would have the effect of making all rubber cost the consumer the price of rubber from alcohol, regardless of the percentage of rubber made from it. That is, it would increase the cost of rubber to the public by some \$55,000,000 per 500,000 tons now and probably not more than one-half of this value in the near future. The Federal Treasury would be enriched by the taxes or duties collected on rubber not derived from domestic farm crops.

There is another aspect of this situation that deserves attention. For reasons never made public, the alcohol-rubber industrial program was set up on an inefficient geographical basis. The center of grain production in the United States is practically at Omaha, Nebr., and this is the area where alcohol can be made at lowest cost because this is where grain is cheapest. But the major facilities for converting alcohol to butadiene are at Institute, W. Va., while the major rubber fabricators are at Akron, Ohio. The freight charges in this uneconomical arrangement are approximately 5 cents per pound of rubber. If private industry carries on this operation, such inefficiency will sometime be eliminated by relocation of the alcohol-butadiene plants.

The differential tax program is well supported by precedent. Railroads were built under incentives supplied by Government, many industries got their start behind a wall of tariff protection, and in other ways infant industries have been given a helping hand by Government.

There is always the danger that the infant will never acquire adult stature and be able to stand on its own feet. If at the time these artificial props are supplied it is also stated that at some definite time they will be removed, the tendency for the recipient to avoid reaching his maturity can be curbed. Such provision can be made in the differential tax law. Thus a tax differential might be set as $5\frac{1}{2}$ cents per pound for a period of, say, 4 or 5 years, then reduced to 2½ cents per pound for 2 years, and finally to nothing. The Congress would reserve the right to revise the schedule as future events might require.

Such a program is sound when there is definite assurance of improving efficiency in the industry to be encouraged. This matter is analyzed in a subsequent section of this report and data are presented showing that very large reductions in the cost of making alcohol from grains and other starchy substrates are entirely feasible. Laboratory research has developed new processing methods that have only to be carried through the pilot plant before they can be applied to commercial production.

Differential taxation is undoubtedly less objectionable from a psychological standpoint than is mandatory legislation, but it may still run into some degree of opposition from consumer groups and from the rubber and petroleum industries. Opposition by the British-Dutch rubber cartel can, of course, be counted as certain. If the plan is set up on a self-liquidating basis, however, such opposition loses much of its effect.

In order that the method of a tax differential might be placed before the Congress, I have introduced legislation which would place a manufacturers' tax upon rubber sold by the manufacturer or producer with the exception of rubber that is manufactured or produced in the United States from butadiene, which is produced from grain alcohol. That bill is known as H. R. 2704, which is as follows:

H. R. 2704

A bill to amend chapter 29 of the Internal Revenue Code

Be it enacted, etc., That chapter 29 of the Internal Revenue Code is amended as follows:

(a) Insert after section 3401 a new section reading as follows:

"Sec. 3402. Tax on Rubber.

"(a) Manufacturers' tax: There shall be imposed upon rubber sold by the manufacturer or producer a tax of 7 cents per pound.

"(b) Definition: For the purposes of this section, rubber shall be defined as in section 3400 (c) except to the extent that such rubber is manufactured or produced in the United States from butadiene which is produced from grain alcohol."

(b) Insert after section 3425 the following new section:

"Sec. 3426. Rubber.

"Rubber, including synthetic and substitute rubber, 7 cents per pound."

(c) Delete the numeral "3425" and insert in lieu thereof "3426" before the word "inclusive" in section 3420.

(d) Delete "and" before the numeral "3425" and insert after such numeral ", and 3426" in section 3430 (c).

(e) Delete the numeral "3425" and insert in lieu thereof "3426" wherever such numeral appears in section 3430 (d).

(f) Insert "or rubber taxable under section 3402 or section 3426" before the period at the end of section 3442.

(g) Insert "or rubber taxable under section 3402 or section 3426" after the numeral "3404" in section 3443 (a) (1).

(h) Insert "(a) rubber taxable under section 3402 or section 3426 or (b)" after "imports" in section 3444 (a) (2).

THIRD PROPOSAL: TWO-PRICE MARKETING OF FARM CROPS

This procedure has had a great deal of consideration by farm groups and was the basis for the McNary-Haugen bill, the first national legislative approach to the solution of the farm-surplus problem. That bill lacked only a few senatorial votes of passing over the veto by President Coolidge. Provision was made for marketing basic crop surpluses at lower than the standard domestic prices for consumption in other channels. Synthetic-rubber manufacture could have qualified very well as such an outlet.

In the original McNary-Haugen plan the farmers paid the bill for such disposal, and there was a minimum drain upon public funds. A similar basic plan is provided in section 32 of the 1938 AAA amendments, but the cost of such disposal is paid from an allocation to the Secretary of Agriculture of 30 percent of the customs receipts, which provided a total of around \$100,000,000 per year for this purpose. But so far as is known the only use that was made of this provision was the financing of the stamp plan for gift of surplus foods to low-income groups and dumping surplus grains abroad. It is definitely known that at least three proposals for diversion of surpluses into chemurgic use at

prices considerably higher than those obtained on foreign sales were refused by the Department of Agriculture in 1938 and 1939.

The two-price system supplements the storage and loan provisions of the pre-war farm program in an excellent manner, and, keeping in mind the need to maintain good relations with other farm product exporting nations, use of the surpluses in domestic industry is far better than dumping it into world markets. There are the additional advantages that domestic chemurgic industries return to the land all the elements of soil fertility present in the crop. Synthetic rubber represents only the carbohydrate of the farm crop processed, which is wholly obtained from the atmosphere by photosynthesis.

As seen above, grains presently have a low value for alcohol manufacture if the price must be reduced to a freely competitive level. About 35 to 40 cents per bushel of corn is all that the present alcohol manufacturer could pay if he used present processing methods. But as will be noted later, this situation can be very profoundly changed by application of new processing methods which research has developed, but which still must be put through a pilot plant stage before they can be commercially utilized.

Two-price marketing is commonly employed in industry. Thus, a chemical manufacturer produces only one grade of magnesium sulfate but sells small amounts as a pharmaceutical and fine chemical at a high price, and larger amounts for inferior uses at a much lower price. Steel products are similarly marketed at several basic price levels, and freight rates vary widely with the type of commodity hauled and with origin and destination. It is sound basic policy to sell into each market at the price that market can pay rather than let the most inferior market set the price for all, as has been the system in farm crops marketing.

FOURTH PROPOSAL: FREE COMPETITION THROUGH RESEARCH

The three proposals previously described are based upon artificial support for the manufacture of synthetic rubber from farm products. Similar support may be extended to the manufacture of other chemurgic products from farm crops. Although these artificial props may be justified upon the basis of certain broad economic and social objectives, there is no question that if it is possible to avoid their use through improvement in the efficiency of the manufacture of these chemurgic products, this would be a great deal the more desirable procedure.

There is a further matter to be considered in this connection. As previously pointed out, it is far easier to justify the establishment of artificial support for these operations at the present time if there is a chance that some day such props will not be needed than would be the case if there was never any hope that such industries could stand on their own feet. In connection with this fact, it was previously stated that whatever legislation may be passed for the artificial stimulus of synthetic-rubber production from farm crops should be limited in

time. That is, some definite terminal facility for such support should be provided in the original legislation, so that all of the groups participating in such activity would clearly know the date upon which they would have to have their operations so organized that they would carry on without legislative help.

Although the manufacture of alcohol from grains and other farm crops is one of the oldest, if not the oldest organic chemical industry, it is in a very poor state of technical development and the costs of manufacture are excessive. Research in this industry has been notably weak and there has been no important technological change in many years. The yields of alcohol obtained are considerably below those that have long been known to be theoretically possible, byproducts recovery is incomplete and inefficient, the enzyme-containing matter used to convert the starch to fermentable sugars is far too expensive, and factory operating charges are excessive.

Research during recent years has supplied the answers to the technological questions concerning the possibility of improving this situation. Such research is, however, yet to be carried through a pilot plant scale operation, before all of the engineering data are available for the design of such commercial scale facilities. There is no question that such a pilot plant investigation will supply these engineering data nor is there any question that the yields obtained in the laboratory can be fully duplicated, both in the pilot plant and in the commercial installation. It must be emphasized, however, that this pilot plant investigation must yet be completed before commercial use can be made of the new processing methods. It is also obvious that cost estimates presented in this report are, after all, only estimates, even though they are based upon entirely sound reasoning. Actual use must be made of the processes, at least on a pilot plant scale, before more accurate data can be supplied. Since, however, the principal benefits of the new processes are the results of improvements in yields of alcohol and byproducts, and since there are practically no uncertainties about obtaining such yields in the commercial plant, the estimates presented in table 3 which has been supplied by Dr. Christensen, are quite dependable for the purposes of the present analysis, and clearly indicate what can be done by adopting this new processing technique.

There is no need in this report to present a detailed technical discussion of the means by which the production of alcohol from grains and tubers can be put upon a more efficient basis. It is, however, proper in this report to discuss the main points of diversion from orthodox in order that the cost data of table 3 may be more fully understood. This explanation is given in the following outline:

First. It is obvious that one of the major costs in present processing is the malt required to supply the enzyme needed to convert the starch to sugars fermentable by yeast. The malt must be made from the highest quality of

barley and the process requires about 8 days for the production of high-quality malt. There is a very considerable loss in weight and the cost of manufacture is high. In the new process, bran is removed from the grain to be processed and a selected mold is grown upon it, yielding mold bran in 36 hours that is at least three times as effective as is malt. The manufacturing costs given in table 3 are based upon pilot plant operations and assume that this mold bran will be produced in the alcohol plant in which it will be used. It is not possible to obtain this degree of economy if the mold bran is made in a separate plant under separate administration, because of the transportation and handling costs, the cost of drying the product for shipment, and the duplication of administrative charges.

Second. In orthodox processing there is a large loss of starch decomposed to carbon dioxide and water. This loss normally runs about 25 percent of the total starch charged to the process. That is, the alcohol yield obtained is not now more than about 75 percent of that theoretically possible. This loss is the more serious because not only was the raw material bought at a good price, but before it was lost it actually had to bear a great deal of the factory operating charges. In the new process this loss is avoided by cooking at an acid reaction and then instantaneously cooling to the temperature required for optimum activity of the mold bran which is employed for the final conversion. In order that this combined acid-enzyme saccharification may be used effectively, it is essential that most of the bran and the fat content of the grain be removed, because if they are not, this process yields toxic substances which interfere in the subsequent fermentation. By this means, the alcohol yield becomes about 90 percent of that theoretically possible and 20 percent greater than that obtained by orthodox methods.

Third. As previously noted, it is essential that the bran and fat be removed from the grain before mashing. The bran is removed by the usual milling operations and the cost of such processing is small. The fat content is removed from this grain by use of a simple solvent-extraction system which recovers at least 90 percent of the fat content of the grain. Present orthodox dry milling recovers only about one-fifth of the fat content of corn and cannot be applied to other grains. Present orthodox wet milling requires a very expensive installation and recovers only about one-half the total fat content of corn and cannot be applied to other grains. With vegetable oils at their present high prices, this improvement in fat recovery has great economic significance.

Fourth. The new process uses very much higher mash concentrations than are applied in orthodox processing. The steam consumption is greatly reduced and the cost of the plant installation is proportionately smaller. The plant operations have been simplified to a point where the cost of labor required for operation is markedly reduced. All of

these are reflected in a considerable reduction in plant operating charges.

In table 3 are presented data on the costs of making alcohol by orthodox methods and by the new process. This process is covered by a group of patents assigned to the National Agrol Co., an organization set up by the inventors who have devoted nearly 15 years to its development. National Agrol Co. offers this process to manufacturers on a nonexclusive licensing basis at a royalty charge which is less than 5 percent of the savings its use provides. The process will be put through the pilot plant stage in a new unit under construction at Lincoln, Nebr.

In this table the yield data are those from comprehensive laboratory operations. The factory operating costs are based upon data from several present day alcohol plants, with extrapolation to the Agrol process and to other general economic levels based upon logical estimates. It is believed that the data are dependable and show with reasonable accuracy what may be possible in the near future in the way of more economical and efficient alcohol manufacture.

This table 3 referred to and prepared by Dr. Leo M. Christensen, the director of research for the National Agrol Co., is as follows:

TABLE 3.—Estimated comparative costs of grain alcohol made by orthodox and Agrol processes at 5 general economic levels

	Ortho	Agrol	Ortho	Agrol	Ortho	Agrol	Ortho	Agrol	Ortho	Agrol
Charges:										
56 pounds of grain	\$0.60	\$0.60	\$0.90	\$0.90	\$1.20	\$1.20	\$1.50	\$1.50	\$1.80	\$1.80
6 pounds of malt	.24		.30		.36		.42		.48	
Manufacture of 2 pounds of mold bran		.02		.02		.03		.03		.04
Steam, power, and water	.14	.08	.15	.09	.16	.10	.17	.10	.18	.11
Labor and supervision	.11	.05	.12	.06	.13	.07	.14	.08	.15	.09
Capital and maintenance	.07	.04	.08	.04	.09	.05	.10	.06	.10	.06
Insurance, bonds, and taxes	.06	.04	.06	.04	.07	.04	.08	.05	.08	.05
Total charges	1.22	.83	1.60	1.15	2.01	1.49	2.41	1.82	2.79	2.15
Byproduct credits:										
18 pounds dried residuals	.24	.24	.36	.36	.48	.48	.60	.60	.72	.72
0.5 pound oil	.05		.08		.11		.14		.16	
2 pounds oil		.21		.32		.44		.54		.65
Total byproduct credit	.29	.45	.44	.68	.59	.92	.74	1.14	.88	1.37
Net cost of 2.65 gallons alcohol	.93	1.16	1.16	1.42	1.42	1.67	1.67	1.67	1.91	1.78
Net cost of 3 gallons alcohol	.38	.38	.47	.47	.57	.57	.68	.68	.78	.78
Net cost of 1 gallon alcohol	.35	.13	.44	.16	.54	.19	.63	.23	.72	.26

Orthodox process: Cost of 1 gallon alcohol = $\$0.11 + 0.35 \times \text{cost of 56 pounds of grain}$.

Agrol process: Cost of 1 gallon alcohol = $\$0.06 + 0.11 \times \text{cost of 56 pounds of grain}$.

To provide for marketing expenses and other indirect charges, and to yield a reasonable profit, alcohol should sell at from \$0.06 to \$0.10 per gallon above the costs shown, depending upon the plant capacity, its location, and the type of business management. In some locations dry ice can be produced and sold to yield an additional net credit of from \$0.02 to \$0.03 per gallon, giving effect to the seasonal character of this commodity.

THERE ARE OTHER LARGE MARKETS FOR ALCOHOL

As previously noted, the synthetic rubber program is especially interesting because it can easily be the pattern for the establishment of other chemurgic industries. This is particularly true for other markets for alcohol and fermentation chemicals generally. As previously noted, alcohol has a competitive value of approximately 25 cents per gallon for synthetic rubber manufacture. It will be shown that at this price alcohol finds many other very large present and potential markets.

In this connection it should be noted that before the war the United States made and consumed approximately 125,000,000 gallons of industrial alcohol per year. Eighty percent of this was derived from imported blackstrap molasses and nearly all of the world's production was brought to this country for that purpose. Immediately before the war a small production of alcohol from byproduct ethylene available in petroleum refining centers was undertaken, and this operation was considerably expanded during the war period.

During the war the demand for alcohol became so great and the transportation of molasses so difficult that nearly all of the alcohol used during the war period was derived from grains. Synthetic alcohol manufacture is based upon low-cost byproduct ethylene, which is

available in limited amounts. In only a few localities is there enough to justify a plant. The present production capacity of 75,000,000 gallons per year is practically the limit.

With the end of the war it was thought that blackstrap molasses could immediately be brought to the country in the old accustomed volume. This has not been possible, however, because in the countries of origin alcohol plants were built during the war to convert the blackstrap to alcohol, which is used in place of gasoline they previously imported. There seems little inclination in such countries to return to the old status. Furthermore, there is now going into use in these countries a new process for the manufacture of cane sugar which greatly increases the yield of sugar and practically eliminates the production of byproduct molasses.

Expansion of synthetic alcohol manufacture has met with the difficulty of competition for the limited supply of byproduct ethylene. Styrene, one of the ingredients of synthetic rubber, requires such ethylene in its production, and new plastics based upon styrene are being made in rapidly increasing amounts. Other chemicals, notably for plastic manufacture, are taking more and more of this ethylene, and there is a serious question whether the present volume of synthetic alcohol manufacture can long be maintained. Of course, the rapid in-

creases in petroleum prices are also working against expansion in this industry.

Thus, the market for grain alcohol has expanded by virtue of failure of its competition. A large percentage of the industrial alcohol being produced is now made from grains, and the normal demands for industrial alcohol are larger than they were prewar. The present price of industrial alcohol is 98 cents per gallon, as compared with the 22½ cents per gallon that was typical of the prewar period.

But there are many more potential markets that are far more important than all of the present markets or synthetic rubber combined. The largest of these is provided by the automobile engine accessory known as the vita-meter. This accessory was used with great success on the large aeroplane engines during the war. It automatically injects alcohol-water into the intake manifold when conditions are favorable to detonation. By its use the fuel which is admitted to the engine is automatically adjusted in antiknock value to meet the changing conditions of speed and load.

Thompson Products Co., manufacturer of this supplemental fuel system, has announced its intention to market this unit for installation on present automobile, truck and tractor engines. On the basis of many tests it has been established that the average automotive engine so equipped, uses substantially 50 gallons of alcohol per year. If half the engines now in use were so equipped, substantially 1,000,000,000 gallons of alcohol per year would be required. To find this market, alcohol must sell at the producing plant at about \$0.25 per gallon.

This development is of particular interest in view of the fact that this country is faced with a most serious shortage of lead. The tetraethyl lead previously used to build the antiknock value of gasoline cannot now be employed in the amounts necessary. Furthermore, it may be impossible to continue the use of tetraethyl lead for this purpose in any amount because lead is such an essential material in other uses.

It should also be pointed out that alcohol is a fuel for V-2 type rocket and since this type of rocket will undoubtedly be used on a large scale in future warfare, it is essential to national defense that this also have available an adequate alcohol supply.

Butyl alcohol, used in lacquer solvents and for many other purposes in chemical industry is currently selling at nearly three times its prewar price. Its manufacture can easily utilize large quantities of grain. Butylene glycol, a chemical useful in organic synthesis and as a permanent antifreeze is readily produced from grains. Lactic acid, which was imported before the war, and which is now of interest in making some new plastics, can be made in the same plant and from the same raw materials that are employed to make industrial alcohol, butyl alcohol, or butylene glycol.

No one can accurately forecast the possible magnitude of the grain fermentation industry, but there is good reason to expect that it can easily exceed 300,000,000 bushels of grain per year and

might soon reach a value of double this volume.

In this connection it must also be pointed out that the United States has always been short of proteins needed for a balanced livestock-feeding program and of vegetable oils that are byproducts of this fermentation industry. There has never been, nor is there now in sight, any surplus of these proteins and oils. Thus the chemist has always maintained that there has never been nor is there in sight an actual grain surplus; only the grain starch is surplus. All of these fermentation chemicals are made from starch and their manufacture does not destroy grain. It only converts grain to materials badly needed in the national economy.

Farm crops are presently in a strong competitive position in the fermentation industry. This industry is faced with the necessity of changing its operations because of the failure of its accustomed raw-material supply. These fermentation chemicals will in the future be made from petroleum, coal, or farm products and a choice will soon be made. Once a pattern is established, there will be a strong tendency to follow it and if agriculture wishes to gain this new business it must take action at a very early date. Failing to do so, it may forever lose the opportunity now before it.

(Mr. CURTIS asked and was given permission to revise and extend his remarks and include certain tables, formulas, excerpts, editorials, articles, and copy of a bill.)

COMMITTEE ON AGRICULTURE

Mr. HOPE. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a report on the bill (H. R. 4075).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

SPECIAL ORDER GRANTED

Mr. HAYS. Mr. Speaker, I ask unanimous consent that after the conclusion of special orders heretofore granted and the disposition of business on the Speaker's desk I may address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. DIRKSEN] is recognized for 5 minutes.

TIME TO REAPPRAISE UNITED STATES-SOVIET RELATIONS

Mr. DIRKSEN. Mr. Speaker, tomorrow we observe freedom's birthday.

In that day of social and political upheaval, Thomas Paine wrote:

Had it not been for America, there had been no such thing as freedom left throughout the whole universe.

Freedom is the reason for America. Freedom is the purpose of America. "In every generation we must—and we have—sought to rediscover and retrieve freedom at home and abroad."

It is time to lift our eyes. It is time to reassess our purpose.

It will soon be 2 years that the world-devastating conflict to end tyranny and assure all people and all nations of the "four freedoms," came to an end. While it might be too much to expect that complete world tranquillity would be restored after the elapse of 2 years, it was right and proper that we should expect substantial progress along the road to peace and freedom. Our hopes have not materialized. Our expectations have been frustrated.

Our good intentions have been maligned. Our generosity seems to have earned only ill will. Our candor has been met with stubbornness. Our insistence on self-determination for humble nations and peoples has been sabotaged by secret diplomacy, police techniques, infiltration, and psychological aggression. Generously have we provided out of the assets of America to soften the obstacles to peace but our generosity has been too often reciprocated with epithets, vilification, and a stubborn and selfish refusal to cooperate. The results of every effort on our part to heal the world's wounds, rehabilitate stricken lands, extend the benefits of freedom, and restore serenity are meager indeed. It would appear that war is still in progress and that its operations have merely been transferred from the military to the diplomatic front. It is time for a reappraisal of our policies and our relations with other nations.

I fully subscribe to the fact that the conduct of foreign relations is not the province of the Congress. But the expressed attitude of the Soviet Union at the Three Power Conference now in progress in Paris clearly brings the Congress into this domain.

The special dispatch to the New York Times by Harold Callender dated June 28 sets forth that—

Mr. Molotov wanted to know the probable extent of United States aid to Europe, the terms on which it would be granted, and whether Europe could rely on congressional approval.

Perhaps it is only natural that Mr. Molotov, his associates, and the Soviet Union for which he speaks, want to know what Congress will do. It is equally natural that the Congress and more particularly certain Members of Congress want to know what Mr. Molotov and the Soviet Union propose to do.

Does the Soviet Union propose to cooperate wholeheartedly and without tongue in cheek in bringing about rehabilitation in Europe? Does the Soviet Union propose to relent its secret and aggressive efforts to subvert the democratic endeavors to establish free government in the countries within its orbit of influence? Does the Soviet Union propose to lift the Iron Curtain and truly enter into the fellowship of nations? Does the Soviet Union propose to desist from its secret policing operations in the Northern Hemisphere? Does the Soviet Union propose to cooperate in Korea and desist from its constant vilification of the American intention to establish sound, popular government in Korea?

Does the Soviet Union propose to forsake the course of concealment, deception and brutality which has been earnestly followed by it and some of its satellites? Does it propose to immediately and candidly discuss its lend-lease obligations to the United States? Does it propose to forsake the role of a spoiled child and give convincing assurances that it will cooperate to the fullest extent before complete collapse overtakes the nations of Europe?

If these assurances are not forthcoming soon, why should the Congress consider further aid to European nations at the expense of the American people while the Soviet Union tramples the liberties of weak and helpless people? More than that, why should this Nation continue the patient endeavors with a country which stubbornly, and for the sake of its own aggrandizement, continues to frustrate the effectuation of world peace?

ADJOURNMENT OVER

Mr. LOVE. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next at 12 o'clock noon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

EXTENSION OF REMARKS

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the St. Louis Post-Dispatch.

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Connecticut [Mr. MILLER] is recognized for 10 minutes.

GOVERNMENT PROPAGANDA—HOW IT WORKS

Mr. MILLER of Connecticut. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein three short articles appearing in Washington newspapers in the last 48 hours.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MILLER of Connecticut. Mr. Speaker, seldom can one find a clear-cut illustration of how the Federal bureaucrat peddles his propaganda by taking over the columns of the Nation's press. Recently such an illustration has come to light. On July 1 and 2, 1947, there appeared in various papers throughout the Nation three columns, each written and carried under the byline of a well-known Washington correspondent. While these columns were no doubt written independently of each other, each was on the same subject, each used the same arguments, each made the same charges, each worked up to the same emotional pitch, and each contained the same mixture of half-truths. In fact, each column is written around identical examples employing similar phraseology.

One of the columns written by Thomas L. Stokes was headed "Utilities' Blitzkrieg" and was carried in Scripps-How-

ard papers; the second, written by Lowell Mellett, was published in the Washington Evening Star and was presumably syndicated in other papers; the third, written by Marquis Childs, appeared in the Washington Post and other papers.

The subject of each of the three columns was the hearings presently being held on bills introduced by myself to amend the Federal Power Act. The hearings are being held by a subcommittee, of which I am a member, of the House Committee on Interstate Commerce. The purpose of the columns was not to report constructively on the facts being revealed by those hearings or to objectively analyze the testimony being presented by the witnesses. The sole purpose of each column was to discredit the hearings. Their means to this end was in each case identical. Each sought to discredit the work of this committee by raising emotional arguments rather than factual presentation.

I have no quarrel whatsoever with the right of these columnists to write and have published anything they desire so long as it is not offensive, immoral, or contrary to American standards of fair play and decency. I think the American public should know that not one of these gentlemen, while they write as experts on the subject, have been in attendance at the hearings; and it is clear from their writings that they have not read the transcripts, for had they done so they could have written facts and not facsimiles.

While the public interest is involved, I cannot believe that the public interest has been jeopardized in this particular case by the mental and physical laziness of these correspondents. What they have done proves the ancient axiom that "the truth will out." Truth has been served by their willingness to be spoon-fed by a Government bureaucrat, for the simultaneousness of these three articles clearly reveals the writers for what they are—rewrite men for Government propagandists.

I repeat, there can be no question but that these correspondents are free to write as they choose. A different issue, however, arises when one considers the other side of the story—the position of the Government and one of its employees in all of this. The interest of good government is not served when a bureaucrat uses his talents to influence the publication of a single and distorted side of a picture. I am the first to admit that there are two sides to most questions and that the interest of good government is served by a complete appraisal of all facts on both sides of an issue. Playing up the emotional side of a story and completely disregarding the facts for the purpose of getting people to feel rather than to think is contrary to the interests of good government and is contrary to the finest traditions of American self-government. The conclusion is inescapable that the Government through one of its employees directly or indirectly inspired the writing of these columns and I do not have in mind the chairman of the Federal Power Commission.

Let us not be naive. Three separate individuals, thinking independently of

each other, writing on a multitude of public issues in this day of strain and stress, just do not happen to sit down at their respective typewriters and write the same story with the same illustrations and the same conclusions on the same night.

The employee on the pay roll of the Federal Government who caused these three articles to be published simultaneously might feel proud of his achievement, for at first glance it appears to be a clever piece of propaganda work. It is not every day that a civil servant can influence the thinking of three such well-known Washington correspondents. If that employee feels proud of his achievement, I trust that his feelings for American democracy are such that he will, after a moment's reflection, realize how he has cheapened the Federal service, and free press, and the principles of self-government. I hope he feels ashamed, for he is a shameful person.

I am calling this matter to the attention of the House subcommittee of the Committee on Expenditures in the Executive Departments To Investigate Publicity and Propaganda in the Executive Agencies with the suggestion that it use its widespread powers to investigate these propaganda activities.

Mr. Speaker, in the remaining few moments I want to quote from two of these articles rather briefly. In the article appearing in the Daily News of July 1 by Thomas L. Stokes under the heading "Utilities' blitzkrieg" Mr. Stokes says:

Perhaps the most brazen phase of this sneak offensive is the hurry-up attempt this week to slip through the House Interstate Commerce Committee, and eventually through Congress, two bills that virtually would nullify the Federal Power Commission's regulatory authority.

What are the facts? The facts are a matter of record. The bills referred to were introduced on the 7th of April this year. On the 13th of April the chairman of that committee sent copies of the bills to the Federal Power Commission with request that it submit the usual report of its views on the suggested amendments. Two weeks' notice was given to members of the committee and to the Federal Power Commission that open hearings would be held on the 23d of June. Remember, the bills were introduced on the 7th of April. They talk about a sneak attack to get legislation through a committee.

The report of the Federal Power Commission was returned to the committee several days before the hearings were scheduled. As a result of the testimony presented on the 22d and 23d of June the Chairman of the Commission quite properly suggested that he needed additional time to present his case and had the hearings postponed for one full week.

They were given all day yesterday, morning and afternoon, by the subcommittee and the hearings further continued until next Wednesday that they might have full opportunity to present their full views.

In the statement of Lowell Mellett we find this interesting sentence:

This week part of 1 day will be given to the Federal Power Commission at the urgent

request of the Commission members who discovered at the eleventh hour what was going on.

Mr. Speaker, these three articles are as follows:

WASHINGTON CALLING
(By Marquis Childs)
POWER COMPANIES' BILL

It's an ancient axiom of strategy that if you can't gain your objective by frontal attack, then take it from the rear by stealth. This is the maneuver the power companies are now undertaking through an innocent-sounding bill which thus far has almost entirely escaped attention.

What this measure does, in effect, is to repeal the most important provisions of the law creating the Federal Power Commission. At least three-fourths of the companies now regulated by the Commission would be exempted.

A parade of power company executives and lawyers have appeared before a House committee to urge immediate passage of the bill, which is sponsored by Representative WILLIAM J. MILLER, Republican, of Connecticut. And while it has not been given the official stamp of approval by the Republican leadership, it might easily be slipped through in the last-minute jam that comes with the end of a session of Congress.

Witnesses for the Connecticut Light & Power Co., the Georgia Power Co., the Detroit Edison Co., and the Wisconsin Public Service Corp. were among those who wanted the bill adopted. There also were witnesses from several State utility commissions in favor of the measure, and this reveals the shrewdness of those promoting the maneuver.

The appeal is made to States' rights and State authority as contrasted to Federal authority. This sounds very well until one looks at the State commissions responsible for local utility regulation. With honorable exceptions, they are pretty hopeless.

One reason is that most States pay such poor salaries that experts qualified to do the technical job of regulation are always being lured away by high salaries offered by the utility companies. Most commissions are so inadequately staffed that the private companies are put under little restraint. The private-utility lobby in a State capital is ordinarily well-heeled, and now and then shocking cases of wholesale bribery have come to light.

To understand the significance of the current maneuver, it is important to look at the origin of Federal regulation. It comes originally out of the conservation movement sponsored by such leaders as Theodore Roosevelt and Gifford Pinchot. These men were concerned with protecting the water-power sites that were part of America's great natural heritage from wasteful and destructive exploitation.

Then, in the twenties, the private power industry began to develop on a Nation-wide scale, with power lines linking generating stations across State boundaries. In 1928, Congress ordered a comprehensive investigation of the utility industry by the Federal Trade Commission. In his annual message in December 1929, Herbert Hoover recommended reorganization of the Federal Power Commission as an independent agency to provide Federal regulation covering the interstate transmission of power which the State commissions were powerless to touch under the Constitution.

One of the sponsors of Federal regulation was the late Senator James Couzens, of Michigan. The fiery Couzens frequently blasted at power-company practices which he regarded as reprehensible. The Federal Trade Commission reported nearly a billion and a half dollars in overinflated values on utility company books—inflated values on

which the average householder had his rates based.

ON THE OTHER HAND—FINDS POWER COMPANIES SEEKING RETURN TO DAYS OF SAM INSULL

(By Lowell Mellett)

As bold as any raid yet attempted on Congress is one now being undertaken by the private power companies. This is a fairly strong statement, having in mind that the insurance companies last year almost got themselves exempted from the operations of the antitrust laws and that the railroads are in a fair way actually to accomplish that very thing—subject, of course, to a probable veto by the President. It is a true statement, nevertheless and notwithstanding—notwithstanding even the success of the real-estate interests in the matter of housing legislation and rent control, or even the success, up to the veto point, of the wool growers.

So quietly as to escape public attention, the private power companies are seeking to reverse national policy with respect to the use of the country's water resources. They appear to think that the present Congress is one that will undo all that has been accomplished in the past half century.

INNOCENT-SOUNDING BILLS

Last week a subcommittee of the House Interstate Commerce Committee heard power company witnesses on two innocent-sounding bills introduced in April by Representative MILLER, Republican, of Connecticut. This week part of one day will be given to the Federal Power Commission, at the urgent request of the Commission members, who discovered at the eleventh hour what was going on.

Among the things they discovered was a purpose to change the definition of stream "navigability" to make the term apply, as one commission lawyer expresses it, only to streams capable of floating superdreadnaughts. The judicial concept of navigability followed by the Supreme Court for a hundred years and finally fixed, it was thought, for all time in the famous New River case, would be disregarded.

Also revealed was a maneuver to transfer to the jurisdiction of the States about 75 percent of the utilities now subject to Federal regulation. It is notoriously true that virtually no State is equipped or can be equipped to handle such regulation. But one of the Miller bills would give the States authority over the development of watersheds and all water resources within their borders, regardless of what effect that might have on other States or whole contiguous regions.

ACCOUNTING PRACTICE

This bill, taken in conjunction with a bill by Representative BYRNES, Republican, of Wisconsin, also being considered, would take away from the Federal Government its present supervision of accounting practices in the case of the utilities transferred to State regulation.

Probably nothing more useful has been accomplished by the Federal Power Commission than the job it has done in the past 15 years in cleaning up the books of the utility companies. The Commission is prepared to demonstrate that it has eliminated more than \$1,400,000,000 of water from utility stock issues during that time. This has made possible the reduction of power and light rates throughout the country. Not only that, it has made utility stocks a much sounder investment. The Commission's seal of approval on any company's books has come to be the best argument brokers have to offer in dealing with widows and orphans.

Our memories are short, but padding of accounts, outrageous write-ups, and infla-

tion of expenditures to affiliated concerns were once common practices in the utility business. Our memories are indeed short. We have almost forgotten Sam Insull, Howard Hopson, and others of their breed. The legislation sought by the power companies and being gravely considered by the House Interstate Commerce Committee seems calculated to bring us a new crop of Insulls and Hopsons.

UTILITIES' BLITZKRIEG

(By Thomas L. Stokes)

Previously there has been disclosed here the drive by powerful private utility interests in this sympathetic Congress to break down protections established by Congress through the years for the electricity consumer.

Perhaps the most brazen phase of this sneak offensive is the hurry-up attempt this week to slip through the House Interstate Commerce Committee, and eventually through Congress, two bills that virtually would nullify the Federal Power Commission's regulatory authority.

It would strike at fundamental policy of regulation recognized for years, far back beyond the New Deal, and sponsored, in basic principle, by Republican Presidents and instituted by Republican Congresses. It was President Hoover who, in 1929, recommended creation of an independent Federal Power Commission. A GOP Congress authorized it in 1930.

The 1930 act implemented an earlier one, the Federal Water Power Act, put through by a Republican Congress in 1920. This was to project further a broad policy first enunciated by President Theodore Roosevelt and endorsed by President Taft for development of water-power resources on a national scale in the general public interest and under Federal regulation.

What the pending bills, sponsored by Representative WILLIAM J. MILLER, Republican, of Connecticut, would mean to the consumer of electricity, both industrial and household, can best be shown by a review of developments that forced Federal regulation. Obviously, these were overlooked or forgotten by some Congress Members.

Reference is to the 6-year investigation into the private-power industry by the Federal Trade Commission that shocked the Nation with its revelations of the financial practices of great utility combines. The pyramiding of holding companies was shown, the watering of stock, the interchange of paper profits among dummy companies—all to create a heavily inflated structure upon which high rates to the consumer were charged.

By November 1929, the investigation had gone far enough to impress the conservative President Hoover with the necessity of Federal regulation. When it ended in the early part of the Roosevelt administration it was plain that additional Federal powers were needed. These were provided in 1935, including Federal accounting requirements to shake out \$1,400,000,000 in water discovered by the Federal trade inquiry. Subsequently this water was squeezed out, and the way opened for rate reductions on the lower valuation—important for the consumer.

Now for the Miller bills. Their object is to restrict the scope of Federal regulation and to put the industry largely back under State regulation which long ago was found inadequate. The States now share in regulation, but uniform accounting standards are federally prescribed.

One bill would set up new definitions for interstate commerce so that a company could have interconnection across State lines without coming under the FPC. This would leave "only a handful of companies" under Federal regulation, according to FPC Chairman Nelson Lee Smith, and would be "substantial repeal of the law itself."

The other bill would narrow the definition of navigability, which is the basis for Federal regulation of hydroelectric power on our rivers, in such a way as to eliminate Federal regulation to a large degree. Navigability has been defined broadly to permit Federal Government supervision of our river systems, and the broad definition has been upheld repeatedly by the Supreme Court. This bill also would handicap integrated development of our river systems, likewise a long-established policy. Its effect, in the words again of Chairman Smith, would be to "reverse a national policy * * * that has been maintained for more than half a century."

Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Massachusetts [Mr. HESELTON] be permitted to extend his remarks at the conclusion of my remarks. In his extension he will show the dates referred to in these matters as well as the dates that the subject matter was covered in the CONGRESSIONAL RECORD. In addition to that, so that there can be no charge of any sneak attack, on three different occasions between the 7th of April and the 23d of June when the hearings were opened, I imposed myself on the Members of the House by discussing those particular amendments in the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. HESELTON. Mr. Speaker, as a member of the subcommittee of the Committee on Interstate and Foreign Commerce now taking testimony on the bills to which the gentleman from Connecticut has referred, I want to comment briefly on one phase of the articles to which he has referred. It is indeed remarkable that two of these articles should have appeared in the evening newspapers of July 1 and that the third appeared in the morning newspapers of July 2. It is most difficult to believe that these three writers were independently inspired to select this one subject for their columns and to express conclusions which are so markedly similar.

Each of these articles was published within 24 hours of the date assigned for the hearing of testimony from the Federal Power Commission. Each expressed considerable concern as to the manner in which the hearings were being conducted. In one article, the statement appears that—

This week part of 1 day will be given to the Federal Power Commission, at the urgent request of the Commission members, who discovered at the eleventh hour what was going on.

The plain implication of each of the articles was that the members of the subcommittee had reached a conclusion even before hearing the testimony in opposition to the proposals. That is both unwarranted and false.

Because I believe the Members of Congress and the public are entitled to a statement of the facts, I want to summarize them.

The bills now being considered by this committee were filed on April 7. In accordance with the practice, they were referred to the Commission for its report.

Those reports were filed with the committee on June 13. The initial hearings were scheduled for June 23 and 24, and notice to that effect appeared in the Digest of the CONGRESSIONAL RECORD of Thursday, June 19. That notice was repeated in the Digest of June 20 and again in the Digest of June 23. And in the Digest of June 23 a report was made of the witnesses testifying in favor of the bills. In the Digest of June 24, a further report was made of other witnesses testifying in favor of the bills and in the Digest of June 25, another report was made of additional witnesses testifying in favor of the bills at a 3-hour evening session on June 24. In that issue of the Digest, a notice was given of the continued hearings on June 26. In the Digest of June 26, a report was made on hearings on June 26. In that Digest notice was given of the continued hearings to be held on July 2. That notice was repeated in the Digest of June 27, again repeated in the Digest of June 30, and finally repeated in the Digest of July 1. Moreover, representatives of the Commission were present during the hearings which were held on June 23, 24, and 25.

The best possible factual answer to the misstatements in these articles came from the Chairman of the Federal Power Commission, Mr. Nelson Lee Smith, at the outset of the hearing on July 2, when the chairman of the subcommittee, the gentleman from New York [Mr. LEONARD HALL], called Mr. Smith's attention to one of the articles. Mr. Smith stated that "reports were requested by the committee shortly thereafter"—after April 7—"and they were filed on June 13." Further, upon inquiry by the chairman of the subcommittee, Mr. Smith stated that it was a fact that all the time the Commission had requested had been granted, that it was his further understanding that the Commission was to have all of July 2 and that the subcommittee would sit in the evening, if necessary. As a matter of clear record, I do want to add that the testimony of the Commission has not been completed and that a further hearing has been scheduled for July 10.

It is amazing that not one but three writers of columns with national circulation, each of whom had full access to the public records in this matter, should have made such statements. But even now, it would seem to be a simple matter of factual and honest reporting for them to promptly withdraw the suggestions they have made publicly which certainly involve a charge that members of this subcommittee are engaged in an effort to mislead the other members of the Committee on Interstate and Foreign Commerce, Congress as a whole, and the American public.

EXTENSION OF REMARKS

Mr. MUNDT asked and was given permission to extend his remarks in the RECORD and include a radio commentary by George E. Reedy.

The SPEAKER pro tempore. Under previous special order of the House, the

gentleman from Arkansas [Mr. HAYS] is recognized for 5 minutes.

THE MARSHALL PLAN, THE DULLES PLAN, AND A BIPARTISAN PEACE PROGRAM

Mr. HAYS. Mr. Speaker, it was probably a coincidence that on the same day of the disappointing happenings in the Paris Conference there was issued a brilliant and significant statement by John Foster Dulles, head of the Commission on a Just and Durable Peace, appointed by the Federal Council of Churches of Christ in America. And I want to refer to that because of the stress he placed upon the moral aspects of the peace.

I was interested in what the gentleman from Illinois [Mr. DIRKSEN] had to say a few moments ago about this very problem. Mr. John Foster Dulles is a prominent Republican and a sincere churchman with wide influence. He had a large part in the preparation of this report by the Federal Council of Churches. The New York Times states that the commission calls for "a United States foreign policy primarily composed of moral ingredients." One of the most significant sentences in the report is that which asserts:

Whatever the views of the American people about the military aspects of national defense, they should make clear that they do not put primary reliance upon material defense. Our chief reliance is upon a moral offensive.

That is one of the high points in the report, and I am sure one that would be generally agreed with, although I believe it is the opinion of a great majority of the Congress that we must give attention to improvements in our material defense. It is a matter of determining values. Where are they? The greater values, says John Foster Dulles, are those of a moral character, and I agree.

Now, there are profound differences between the parties upon domestic issues in the present Congress, and I do not discount them. They are fundamental. They are important. We are entitled through our party activity to express our differences. But one heartening fact is that our controversies have not marred the bipartisan foreign policy of the United States, and I was glad that we emerged from the long debate over the Mundt bill, which I supported, without becoming involved in partisanship. The events of yesterday in connection with the Paris Conference make more important than ever that this Nation preserve a maximum degree of unity, and that the evolving foreign policy draw upon the resources of the two great political parties of this Nation. Without the contribution of both we will flounder in disunity and confusion.

Mr. BOGGS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. I am very glad that the gentleman has quoted the statement of Mr. Dulles. I am certain that the gentleman is familiar with the fact that Mr. Dulles has been one of the most ardent advocates of a federated Europe, and it is significant that this

statement should come out about the same time that the conference in Paris breaks up, because the action of the agents of Moscow very forcefully demonstrates that Russia fully understand and appreciate the power of a unified Europe. Russia is doing everything that it can to prevent the unification of Europe, because if Europe is unified it has within itself the power to overcome communism.

Mr. HAYS. I thank the gentleman, and I agree that Mr. Dulles' espousal of his proposal for a United States of Europe is quite consistent with what he is saying here.

I think we too often have been timid in connection with asserting moral force, in speaking directly to the great issues in the world today.

May I revert now to the point I wish to make regarding the bipartisan peace policy of this Nation and the special contribution of a great Republican?

Mr. MUNDT. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from South Dakota.

Mr. MUNDT. May I suggest that the theoretical description of the operations of communism made by John Foster Dulles was pretty well illustrated in the laboratory of life in Paris, where Communist-dominated Russia destroyed the effectiveness of the conference there, which would have given some hope and some substance to the little countries of Europe.

Mr. HAYS. I thank the gentleman.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Does not the gentleman believe it would be well if in this country we would devote a little attention to establishing the freedom of the right of a man to work?

Mr. HAYS. I do. The right to work is certainly a fundamental freedom, and moral issues are most profoundly involved.

Mr. HOFFMAN. It would be well if we had a little bipartisan effort along that line here at home.

Mr. HAYS. I think there has been considerable evidence of a bipartisan approach to the problem in recent months.

Mr. HOFFMAN. It seems to me we lacked the President's cooperation the last time we tried it.

Mr. HAYS. But not in the Congress.

Mr. HOFFMAN. No; I will say that in the House there was no such obstructive move, but when we came to the Executive Office, although he had asked for cooperation and pledged it in the beginning of this session of Congress, we did not get it. I wonder if the gentleman can do anything about that.

Mr. HAYS. I am glad for the gentleman's comment to be recorded here. I am glad to yield to him for that purpose. Yet surely the gentleman will not disagree with me on the point I am trying to emphasize now, that whatever our differences on domestic issues, including this very complicated problem of labor-management relationships, we are mak-

ing headway in the development of a policy for national security that utilizes the resources of both parties and does not play cheap, partisan politics, through maneuvering for position in 1948, with the most vital question in the world today, which is to preserve our free institutions.

Mr. HOFFMAN. I am not quite so sure about that maneuvering proposition. In some places it seems that that is just what they are doing, and I am not referring now to the Chief Executive. I agree with the gentleman that both parties have been supporting this, as he calls it bipartisan policy. In my opinion, while its purpose is good, what I fear is that you are going to continue it until you strip America so it cannot help even itself, to say nothing of the countries abroad.

The SPEAKER pro tempore. The time of the gentleman from Arkansas has expired.

Mr. HAYS. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HAYS. May I say in acknowledgment of the gentleman's contribution that while I have differed with him on some domestic issues and some questions of foreign policy, aid to Greece and Turkey, for example, I think it is a marvelous exemplification of democracy that he has provided in a prominent way an opposition, which is so essential to the functioning of democracy. The Soviet spokesmen speak of democracy in other terms. They say, "Why, ours is democracy, because there is no opposition to the rule of the people." They resort to that rationalization in proclaiming their system to be democratic. The essence of democracy is an opposition. While I might disagree with the gentleman, I think he renders a very great service in providing opposition. I am not undertaking to say that the bipartisan policy for peace involves the discouragement of an opposition.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Wisconsin.

Mr. KEEFE. The gentleman has made a splendid statement. I know he is a student of this question. Can the gentleman state what the bipartisan foreign policy of the United States Government is?

Mr. HAYS. The gentleman will notice that I have used the word "evolving" because if we should state it today we would have to restate it tomorrow. Essentially, it is to unite in support of our free institutions and to work with others of like mind for international peace, and, to the extent that it is possible, through our United Nations with its limited police powers to apply international force to prevent aggression.

Of course, it must be stated in the most general terms at this moment, and officially it should be left to the President and the Secretary of State in its

fullness, but to the extent that Congress has responsibility I think we are making headway in the formulation of it.

Mr. KEEFE. The meeting of the Prime Ministers has just been concluded in Paris, which meeting was called for the purpose of discussing the Marshall plan. Has the gentleman been able to ascertain what the Marshall plan is?

Mr. HAYS. I will leave that to General Marshall. I think fundamentally that it was a matter of saying to Europe that we cannot go through this great transition with a sick and unhealthy Europe without imperiling ourselves, so in order to help Europeans to help themselves we are awaiting some decisions to be made by the governments of Europe.

Mr. KEEFE. I thank the gentleman. That leads to a practical question. Does the gentleman conceive the Turkish-Greek aid program to be part of the Marshall plan?

Mr. HAYS. It was adopted before the Marshall plan was advanced. I heard the gentleman's speech on the Greek loan. The gentleman from Wisconsin made a very able presentation of his own views in supporting the Greek-Turkish aid program. I think he made logical reservations and he made a real contribution.

Mr. KEEFE. Does the gentleman feel that the aid program, that is, the \$350,000,000 aid program, is part of the Marshall plan?

Mr. HAYS. It preceded the Marshall plan and to the extent that the two are integrated and evolve a foreign policy, yes.

I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. The gentleman used the word evolution, I believe. Would the gentleman say that the Marshall plan has evolved as a result of the problems which were presented when we debated the Greek-Turkish loan?

Mr. HAYS. I believe that is a fair statement of it.

Mr. BOGGS of Louisiana. I believe all of us are agreed that in the world in which we are living there are two ideologies and the chances of compromise are apparently remote. Most of us agree with the distinguished gentleman from New York [Mr. WADSWORTH], whom I see in the Chamber, on the theory that there can be no appeasement of the ideology of communism today.

Mr. HAYS. That is correct.

Mr. BOGGS of Louisiana. On the other hand, I think there is some merit in what our colleague from Michigan [Mr. HOFFMAN] says, that if we use a piecemeal plan of aid to Europe—Greece, Turkey, and then Italy and France, and all the other separate nations of Europe—we are bound to bankrupt this country. So, the Secretary of State has come forward with a program in which he says, "Let Europe use its own resources, wipe out the customs barriers, and the economic difficulties may be solved, and Europe can reconstitute itself."

The SPEAKER pro tempore. The time of the gentleman from Arkansas has expired.

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. HAYS. Mr. Speaker, I yield to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. This is a very interesting issue which is now developing. It is so extremely unfortunate for the destiny of the whole world that the three-power conference should have broken up summarily and that the Soviet Union almost in a mood of pout should leave. The thing that caught my eye, of course, was the dispatch from Paris in which Mr. Molotov wanted to know various things.

Above all else, he wanted to know what the Congress would do. Could they rely upon the Congress? Of course, the only thing for which they rely upon the Congress at the moment, in pursuance of this plan or any other plan, is how much money will the Congress provide. As I stated in my remarks, I subscribe completely to the conviction that our foreign policy must be conducted by the executive branch, but now, when it becomes the responsibility of Congress to further dissipate the assets of America, in response to the query in Mr. Molotov's mind, that, of course, brings us within the orbit of this thing; and we come back to the question of fundamental policy. I cannot think of anything that is so distressing at the moment, except what has happened in Paris so recently, because we are squarely up against the necessity of making some kind of a determination. So it comes back to what I called the \$64 question. Perhaps it should properly be called the \$64,000,000 question or the \$64,000,000,000 question.

Do we propose now, in the light of every frustration we have experienced, every stubborn defense that has been set up on the pathway to peace and freedom—are we going to be equally patient now, or after 2 years' experience—soon it will be 2 years since hostilities were concluded—are we going finally to say, "We have had enough of this now, and the destiny of the world is in the balance. It is going to require some forthright speaking and some forthright acting for America. We are not going to permit one country in the world to frustrate the effectuation of the thing that has come out of the hearts of billions of people all over the world; that is, the hope of peace." So the Congress is squarely in the picture at the moment.

Mr. HAYS. I thank the gentleman very much for his valuable contribution, but would he not take hope in the fact that, while it is disappointing that the three can find no basis for agreement, at least we have come to a forthright facing of the issue, and that we may be better off as a result of it, to recognize that actually, for the present, we cannot have one world; we must have two worlds. Our world, including our fellow democracies in Europe, must be strong.

It must be strong materially and it must be strong morally. That is what John Foster Dulles has said. I agree with the implication that perhaps there has been too much talk of money; the sending of money, the making of loans, even thinking in terms of material goods for a stricken people. These are vitally important, to be sure, but they must not be treated to the exclusion of the moral basis for our action. We should reexamine our own thinking, and then strive for unity between the parties for the sake of the world's recovery.

Mr. MONRONEY. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. I would like to compliment the gentleman on the speech he is making and on the continuous effort he has made to foster and stimulate a completely bipartisan foreign policy. I think he is pointing up a fundamental issue that faces the United States of America today, in relation to all of Europe. It is a simple issue, whether freedom and the dignity of man are to continue on the face of the earth in that part of the world, or whether we will have a hopeless state, under totalitarianism. It is an issue as old as Christianity itself. I hardly think that this country, blessed with the greatest harvest and the greatest income in the world, will now turn her back on the hundreds of millions of people throughout the world who are reaching for the torch of liberty, and say, "We are going to give nothing to help you out of the devastation in which war left you."

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I believe I have only about 1 minute remaining.

Mr. MASON. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 10 additional minutes to discuss this momentous question.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois [Mr. MASON]?

There was no objection.

Mr. HAYS. I yield first to the gentleman from Illinois, and then I will yield later to the gentleman from Wisconsin.

Mr. DIRKSEN. I agree with the observations made by the gentleman from Oklahoma [Mr. MONRONEY] but what we are up against is, Shall we with the left hand dole out money to rehabilitate small nations, and then with the appeasement of the right hand permit a great power to come in and undo all the work for which hundreds of thousands of young Americans died, and for which we projected this country into a deep debt of some \$260,000,000,000?

Now, we cannot pursue it both ways. As I indicated at the outset, my opinion is that the very purpose of this country is freedom and if we are not going out to confess that World War II was a great ecclesiastical vanity, then we must do something resolute in the field of foreign policy and somewhere along the line we are going to have to set up a stop sign and say "No more undermining such as took place in Czechoslovakia, Bulgaria, Turkey, and Greece." Otherwise we

dissipate the assets of our country; otherwise we cannot do this thing effectively. We are getting exactly nowhere, we are very nearly today back to the point where we were when hostilities ended in 1945.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I want to say that anyone can concur in the rather broad platitudes of the gentleman from Oklahoma [Mr. MONRONEY] with respect to this problem. I have made those expressions time and time again. But if you want to see this issue crystallized, read the editorial in Collier's Weekly of this week which asks the question I have asked in the hearings before the Deficiency Committee where we have under consideration now all of the appropriations to implement this program. I have not been able to get a single answer from anybody, from the State Department or any other place for the simple reason that they do not know.

Now, the question is, in the face of this huge program which is presently outlined covering every nation on the face of this earth—some of which you have never heard of, at least I have never heard of a lot involved—with present estimates \$4,096,000,000. The President of the United States has appointed a commission to study the question and to report to the Congress and the people: How far can we go? And how far will the resources of this Nation permit us to go?

Before the Deficiency Committee the representatives of various agencies and departments have admitted their tremendous concern over the ability of these United States to meet the commitments that have already been made for the fiscal year 1948, to say nothing of fiscal year 1950, 1952, and on into the future as far as you can look. So it cannot be so simply stated, this problem, as to repeat certain repetitious ideas enunciated by the gentleman from Oklahoma. This is a real problem that confronts us and I think we are all going to have to work very hard to solve it.

Mr. HAYS. Just a minute. I appreciate that, the gentleman from Wisconsin is speaking feelingly about this matter and I am glad for him to do it, but the gentleman from Oklahoma has not advanced an inappropriate platitude. It comes with real timeliness. I am reminded of what a man named Basil Gildersleeve said. I do not know who he was or where he lived, but I ran across this thought of his and I pass it on to the gentleman from Wisconsin whose fine work on the Appropriations Committee we appreciate. He has been struggling with tough problems.

Mr. Gildersleeve said:

To count the cost is in all temporal things the only wise course, but there comes a time in the life of every individual and of every nation when eternal principles enter the calculation, and when that time comes—

Said this philosopher—

there is a sentiment that cannot be projected into the domain of statistics; it is the senti-

ment best expressed by Saint Paul who said in a great crisis in his life "neither count I my life dear unto myself."

And no man has a right to place the interests of his political party above the interests of his nation or the ideal of freedom in an hour like this. That was my thesis, that was my text. So we ought to say, like Saint Paul, "Neither count I the life of my political party dear unto myself."

And the plan of aid for Europe's recovery is not a platitude. It is a timely thought. If it should cost us \$25,000,000,000 to save the peace it would be worth it. It would be worth the sacrifice of political position, of individual leadership, of our party's power if it were necessary to save the world.

Mr. BOGGS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. I simply want to make one observation in connection with the remarks made by my distinguished friend and colleague from Arkansas. I listened with great interest to what my colleague from Oklahoma had to say. He talked about the values of Christianity and freedom. If those are platitudes, then I say we might as well close up this Congress and let communism take the world.

Mr. KEEFE. Will the gentleman yield for just one statement?

Mr. HAYS. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Just read the memorial address which I made to this House and see if you can find justification for the implications in the statement just made when I spoke from that platform with fervor, with honesty and with conviction that came from the heart. You will find there the sentiments which I have. I am speaking realistically in facing this situation and know this thing has to be implemented with money and with resources that God alone gave us.

Mr. HAYS. These are not incompatible, may I say to the gentleman from Wisconsin. These urgings to do something to save the peace and to maintain our Nation in a solvent condition are not incompatible. They can be harmonized and they must be harmonized.

Mr. BREHM. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Ohio.

Mr. BREHM. The thing which has caused me so much concern is: How are we, a Christian Nation, going to deal with an atheistic nation, with those who do not accept Jesus Christ as the Son of God? How are we going to reconcile those two ideologies. Will we not in the final analysis be as far apart as the poles? We have sent Christian missionaries throughout the world for years and years preaching the doctrine in which the gentleman from Arkansas believes and in which I believe and which I want eventually to dominate; but at the end of their teachings we come back with the biggest and best war in history. Is the State Department going to attempt to take over the functions of those missionaries? Meeting upon such a plane of

opposite ideologies, one believing in a Supreme Being, the other in an atheistic ideology, are we ever going to be able to get together with a nation that has an ideology as far apart as theirs is from ours?

Mr. HAYS. Not unless the Soviet system relinquishes their rigid control over the minds of its people so that the religion in which we ourselves believe has a chance to appeal to the people. I refer to our expression of Christianity. It is sometimes proclaimed that Russia now grants religious freedom. But can a Christian minister stand up in Russia and criticize the government? That will be the test of freedom in Russia. That is the one test I would apply if I were close enough to Russia to see whether or not the Christian faith is taking hold of their government. If totalitarianism persists, the two cannot exist side by side. You cannot have political oppression and Christianity, which exalts the individual, together in one society.

The SPEAKER pro tempore. The time of the gentleman from Arkansas has again expired.

Mr. BOGGS of Louisiana. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Michigan.

Mr. HOFFMAN. The gentleman's argument about following a principle is all very fine, we all would like to agree with the gentleman on that; but what becomes of that idea if the individual or the Nation, in this case the Nation, so weakens itself that it goes out of existence? What good is your principle then? I was thinking about when the Crusaders were going to restore Christianity or the seat of Christianity. They had a good idea, they followed their principle, but what did they accomplish finally? Then getting back to the present: The gentleman has made the issue and the gentleman from Oklahoma has made the issue very, very clear. There are two theories of government in this world today. I take it one is communism and the other is the one to which we hold. As I understand it, you cannot have the two. Does the gentleman agree with me?

Mr. HAYS. I agree with you that the two cannot exist together.

Mr. HOFFMAN. All right. That gets us in the position, does it not, of being determined to rule the world and imposing our theories of government and religion upon everyone else?

Mr. HAYS. Not at all. I undertook to say that Christianity could not exist in its fullness in Russia unless individual freedom were granted.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. I appreciate the gentleman's statement. There are two things that come to my

mind in connection with the gentleman's presentation. It is not surprising to me that many people are confused. I know I am, because the President came home very hurriedly and told us how necessary it was to supplant the Monroe Doctrine with the Truman doctrine. And, we went along. The ink had not much more than gotten dry before Mr. Marshall came out with a different program. Now, Mr. Truman's program, as I understood it, was that he wanted to get the world forces against communism; he wanted to shoot everyone that bobbed his head above ground, just like chipmunks. And, Mr. Marshall said, "No, not necessarily; we do not care about shooting them. We want them to be good boys and come in here with us."

I think many of us get confused by the fact that we are trying to make two horses go in different directions. But the point I would like to make with my distinguished friend is this: When it comes down to dollars and cents, I usually do not want to be accused of being any Santa Claus, because I do not have the bells or the whisks, but there is the point in connection with the money involved. If our country has to spend fifteen or twenty billion dollars a year in order to keep ourselves strong in a military manner—and we must think of that in connection with the money—what we could be passing out to the rest of the world would make it unnecessary for us to spend over three or four million.

Mr. MONRONEY. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. Is it not a fact that in considering the future policy of the United States in building a lasting peace, we must also consider the cost of the ground upon which that peace is to be built, and that ground has cost \$4,000,000,000 of our money and the time of 16,000,000 of our young men for several years. Now, I think we have to be realistic about it. We are spending today over \$11,500,000,000 to preserve an armed force, of which I am heartily in favor, but I know, and the gentlemen here know that an armed force, the best-trained and the best-equipped that Congress and our experienced officers can create, has no defense against atomic warfare or against bacteriological warfare. In the course of spending money for our own defense, aside from the Christian principles involved, in establishing a hope of freedom that is still alive in the world today, then we should spend, yes, billions of dollars to make possible the growth of freedom and the growth of peace. It is not going to grow accidentally. It is not going to grow if all the people in Europe feel that we have pulled down the curtains again and begun to slip behind the wall of isolationism. A virile force of totalitarianism and communism is sweeping over all of Europe, and the only thing we have to do to help and implement that sweep of communism is to say to the world, "Brothers, we are through; we have had enough."

Mr. HAYS. I thank the gentleman.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Illinois.

Mr. DIRKSEN. The gentleman from Arkansas alluded to the Apostle Paul a brief while ago. It was that same Apostle Paul who also once said, "Having done all, stand."

Now, let us get back and apply that to the American foreign policy. I am confident the American people are willing to gamble a very substantial sum on the effectuation of peace, but they want to see some results as they go along. But we advance the money, and free elections are denied in Poland. We continue to pour out money, and freedom is eclipsed in Rumania. We continue to advance money and set up great world projects, and freedom is a casualty in Bulgaria. If we had not interfered there might have been a casualty in Greece, in Iran, and in Turkey. We know, of course, that there was a casualty long ago in Yugoslavia and in Albania. Now we see threatening signs in Italy. We see this scourge of Red fascism moving into France.

The question I ask is probably the same kind of question that the humblest American citizen asks: "In return for all this money, what do we get?" Is it the case of the old Australian bird that walks backward, and the longer it walks the farther it gets from the goal? We are farther away from the goal now than we were in August of 1945. In all good conscience, can we go to the American people and say, "Five billions for 1948, five billions for 1949, five billions for 1950, and five billions for 1951 for the purpose of effectuating peace?" Where is that indefinable line where people will finally say, "We want some results." So to get results, in view of the break-up in Paris, and it is serious for the whole world, do we now come up against this gospel of the Apostle Paul, "Having done all, stand"?

Mr. NIXON. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from California.

Mr. NIXON. The gentleman has made, I think, a very eloquent plea for bipartisan cooperation on foreign policy. I think the gentleman has recognized, too, that we have had bipartisan cooperation, and cooperation from a number of the Members on this side of the aisle. But I think we should bear in mind also that the cooperation we have had, I think, involves on the part of some Members on both sides of the aisle misgivings in this particular instance. The matters which have come before us involving foreign policy generally have come before us after the deed has been done. The Congress has come in after the decision has been made and the Congress has had to back up the decision that has been made by our State Department and by the executive branch.

The question I should like to ask is this: Does the gentleman not feel that a true bipartisan foreign policy means that it must be bipartisan in its inception and creation as well as in its execution?

Mr. HAYS. I do. I would criticize the President of the United States if he submitted to the Congress or to the Nation a policy or a phase of a policy that excluded a contribution by the Republican Party.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from California.

Mr. McDONOUGH. Referring to the remarks of my colleague [Mr. DIRKSEN] a moment ago about the millions and billions that we may be called upon to put up, in other words, in an attempt to buy the peace, does not the gentleman believe that moral integrity and intellectual honesty in international affairs rather than dollars are the basis of peace? Is there any record in history where peace was ever decided by dollars, by setting up boundary lines for States, by one nation seeking to obtain all that she could at the expense of others, and advancing the false theory that Russia is now advancing. Today Russia, as we know, has sought to obtain all the oil, all the tin, all the steel, all the land, all of everything she can until the day could arrive, and it arrived yesterday in Paris, when she could tell the rest of the world that she was prepared to say, "We, Russia, are now the isolationist nation that we charged you to be, and we are willing to become isolationist because we are going to threaten you, and by our threats you shall shudder." Nobody has shuddered as yet. But moral integrity and intellectual honesty are the basis of peace.

Mr. SADOWSKI. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Michigan.

Mr. SADOWSKI. I think it is a fallacy to state, as has been stated here this afternoon, that this is a struggle between two ideologies, the Communist ideology and the American democracy. I think it is a fallacy to say it is a struggle between only those two. I think there is a third ideology. It is the ideology that is prevailing throughout Europe. It is an ideology that is caught between the jaws of the nutcracker today. It is an ideology that is represented by so-called Socialist parties in Europe in the various countries. To a certain extent they have an ideology something like my friend from Mississippi [Mr. RANKIN] has about Government ownership and control of power and utilities.

Mr. RANKIN. Oh, well—

Mr. SADOWSKI. Wait until I finish. It is a fact, nevertheless, that you have these peoples of Europe today who do not want the old prewar governments that they had. They do not want any part of that prewar government because they had economic misery under it. They could not live. That is why so many of them came to the United States. They were hungry in Europe. They could not get bread to eat in Europe, and that is why they came here. These same people do not want communism either. They are struggling and fighting against communism. They do not want to return to the old government or to a capitalistic

government which strangled their economy there. They have nationalized their industries. They have parceled out the big estates. The land reform movement is not an idea which originated in Russia. Oh, no, that idea originated with the people themselves through their own political parties long before there was a Communist Russia. That was a part of the program of the people of Europe. The nationalization of industry in Europe or the socialization of industry can best be exemplified by what happened in Poland where, I was told, 83 percent of the industry there before the war was owned by foreign capital, and, as it was put to me, they said "SADOWSKI, how would you like it if the Chrysler Corp. or the General Motors Corp. and all the other plants in your district were owned by foreigners and foreign capital and they could stifle your production in your district or in your country and they could decide whether your people could work, when they could work, and when they could not work?"

Eighty-three percent of the industry in Poland before the war was owned by foreign capital. That was not only true of Poland, it was true in other European countries.

So what happened? A third ideology is now in the making in Europe. We should recognize that ideology. I think we can work with that ideology. It is not just a struggle between communism and American democracy. It is far greater than that. You can see it working today in Belgium. You can see it working today in France. You can see it working today in England. You can see it working today in Poland. You can see it working today in Czechoslovakia. You can see it working all over the world.

The SPEAKER pro tempore. The time of the gentleman from Arkansas has expired.

Mr. BOGGS of Louisiana. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 10 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. RANKIN. Mr. Speaker, if the gentleman will yield, I just listened to the statement here on so-called socialism of Europe, which is just a shade to the right of communism, which means the destruction of everything that we ever stood for in this country.

Only one side of this question is being discussed here, and I want to discuss the other side of it.

Mr. HAYS. I yield to the gentleman from California.

Mr. JACKSON of California. I think unquestionably one of the greatest matters of concern to all of the Members of this body and also the country at large with relation to this entire foreign policy matter and the problems brought about by our relationship to the rest of the world has been along the line of our capacity to produce and to furnish, combined with an accurate picture, the needs of the rest of the world. In order to meet that problem, to meet it so far as is

possible under the circumstances, the Committee on Foreign Affairs, its staff and subcommittee, expressly appointed for that purpose, has been for the past several weeks bringing together all of the available data bearing on those problems. I am sure everyone will understand any such approach must of necessity be incomplete. All we hope to achieve is to get together what is known on the subject. I asked the gentleman to yield merely for the purpose of calling to the attention of the House the fact that such a report has been prepared and has been released to the press today and that all Members of the House will receive a copy of that document, the preliminary economic survey report.

Mr. HAYS. I am glad to have the gentleman make that statement. May I say I am sure I am only one of a great number of Members of the House, who have served longer than the gentleman from California, who appreciate what he and his first-term colleagues are doing on the Foreign Affairs Committee. He probably has not been aware of the prominence he has enjoyed. Many of us have observed and spoken favorably of the work of the gentleman from California [Mr. Jackson] and his colleague from California, and others, on the fact that they have not waited to gain seniority to make themselves heard.

Mr. BRADLEY. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield.

Mr. BRADLEY. I would not attempt to discuss the ideological question brought up by the gentleman from Michigan [Mr. Sadowski] but the people in my district are very much troubled as to where we go from here; as to how long any of these policies will remain in effect; whether it is 2 weeks or 3 months. You must remember that within a short time we have had the Roosevelt policy, we have had the Hull policy, we have had the Byrnes policy; we got the Truman policy, and now we have the Marshall policy.

Mr. RANKIN. And we had the Willkie one-world policy, and now we have the Stassen policy.

Mr. BRADLEY. Yes. I do not have any idea what the Marshall policy is. I see it mentioned and referred to in all the papers. I cannot find out and my people do not know. Right now they write and they say, "You just gave millions of dollars. Are we throwing that away? Are we casting them all aside to get something new?" That is one of the things troubling the people of the Nation today.

Mr. HAYS. I yield to the gentleman from Louisiana [Mr. Boggs].

Mr. BOGGS of Louisiana. I was very much interested in the statement made by my colleague from Illinois [Mr. Dirksen]. I am one of his admirers in the House. I think his was one of the finest statements made during the debate on the Greek-Turkish loan. I thought he pointed up the issues probably as effectively as any Member of this House. I am somewhat concerned about his statement, because, while I agree with practically all he had to say, when he said now we must stand. I wonder what

alternative he offers. Does he imply by that that we must cease our program in Europe, go back to a policy of doing nothing, or does he mean to say that we shall become more forceful? What does the gentleman mean?

Mr. HAYS. I am sure the gentleman from Illinois will be glad to answer the gentleman from Louisiana. If the gentleman does not press his request, I want to yield briefly to the gentleman from Indiana.

Mr. MITCHELL. The gentleman from Michigan [Mr. Sadowski] referred to the people in his district as saying, "Sadowski, how would you like to have Chrysler and General Motors Corps. controlled by foreigners, tell your people when they can work?"

Mr. SADOWSKI. Not said by the people of my district, but said to me by people who had come from Europe.

Mr. MITCHELL. I wish to make the observation that in many instances we have foreign labor leaders telling them when they can work and when they cannot. We want to stop that too.

Mr. HAYS. I ask the House to indulge me just one final statement, and then there will be time for others. I fear if we do not revert to the original proposition laid down in John Foster Dulles' statement, that we may recall these points of difference and the involvement over material things rather than the supremely important emphasis in his report, which is that America must be morally strong; we must be united. I want to express my gratitude that you have heard me so patiently. I hope this whole debate has been helpful. I have tried to yield to everyone. The text with which I started was this, and I close with it, the important thing is that we have through a bipartisan policy, an evolving policy, made great progress in the last few years. In the Congress if not in the executive branch of Government as some charge, we have at least worked toward an objective to which we could all subscribe, to preserve this Nation's security in the world, to preserve our free institutions, and to work together as Americans not as partisans for the good and the happiness of the peoples of the world.

The New York Times article of July 2, 1947, setting forth the contents of the report by Mr. Dulles' Commission is as follows:

MORAL OFFENSIVE BY UNITED STATES ADVOCATED BY DULLES GROUP

The free society versus the police state is the supreme political issue of today, declares a statement prepared by the Commission on a Just and Durable Peace, and adopted yesterday by the executive committee of the Federal Council of the Churches of Christ in America.

The statement, drawn up over a period of 2 months by a group headed by John Foster Dulles, Republican adviser to Secretary of State Marshall, discusses American policy today as regards relief and reconstruction, relations with the Soviet Union, relations with the United Nations, and the moral bases underlying these relations.

At a press conference held in the Federal Council's offices, 297 Fourth Avenue, following the executive committee's meeting yesterday, Mr. Dulles said in response to a

question: "If Soviet leadership persists in its attempts to extend the police state system throughout the world I feel it will be extremely difficult to find the basis for a lasting understanding."

The Commission's statement calls for a United States foreign policy primarily composed of moral ingredients. Neither approving nor condemning the creation of military establishments, it says the American people should make clear that "whatever may be their views about the military aspects of national defense, they do not put primary reliance upon material defense; our chief reliance is on a moral offensive."

There is an "inescapable duty" to aid in reconstruction of foreign nations "to a degree not yet understood or accepted by our people," the statement asserts. An adequate program of aid, it continues, "may involve a reconsideration of basic domestic policies in relation to such subjects as taxation, public debt, tariff, labor and management relations and price policies. Whether or not the overall program seems in its immediate consequences to affect adversely certain features of our economic life, the duty is inescapable."

The problem is not merely financial, the commission declares, but one of production and delivery of goods and so involves also labor relations. The statement endorses the Marshall plan and adds that when resources are limited and a choice has to be made, it is "legitimate to favor those who are intelligently striving to help themselves and to help others."

TENSION INCREASING

Asserting that the most difficult international problem is to establish working relations with the Soviet Union and that tension among the nations is on the increase, the statement continues:

"We believe that one cause of this increased tension, and a cause which it lies within our power to control, is failure to demonstrate that the American people stand for a basic moral and political principle and not merely for self-interest. The critical and supreme political issue of today is that of the free society versus the police state. It is not the economic issue of communism versus capitalism or the issue of state socialism versus free enterprise. As to such matters, it is normal that there should be diversity and experimentation in the world.

"By a free society we mean a society in which human beings, in voluntary cooperation, may choose and change their way of life and in which force is outlawed as a means to suppress or eliminate spiritual, intellectual, and political differences between individuals and those exercising the police power. The police state denies such rights. In the Soviet Union such denial is sought to be justified by Marxian communism. As we pointed out in our earlier statement that doctrine 'in its orthodox philosophy stands clearly opposed to Christianity. Its revolutionary strategy involves the disregard of the sacredness of personality which is fundamental in Christianity.'

"The same statement went on to say that if American initiative is to prevail it must carry world-wide conviction on two basic facts: first, that 'our Nation utterly renounces for itself the use internationally of the method of intolerance'; and, second, that 'persistence internationally by the Soviet Government or the Soviet Communist party in methods of intolerance, such as purge, coercion, deceitful infiltration, and false propaganda, shielded by secrecy, will not in fact make its faith prevail and will jeopardize the peace.'

"We believe that our Nation has failed to carry conviction on those two basic propositions, particularly the first. There exists abroad a widespread impression that we

ourselves are using, or are prepared to use, methods of coercion to impose on others our particular form of society. That impression is largely due to unfriendly propaganda; also our practice in some instances has not always made our position clear.

"The peoples of the world are confused. Without doubt, they overwhelmingly prefer a free society of tolerance, although many prefer state socialism to free enterprise. However, they feel caught between the two greatest and most vigorous powers of the world, each of which, they assume, is seeking to impose its will by coercive methods of intolerance. As a result, there is no impressive and decisive alignment of the moral and spiritual forces of the world. The disunity or neutrality encourages Soviet leaders to persist internationally in their own methods of intolerance, and they are winning support from among the many who feel that they are offered a choice only between rival imperialisms.

"In order that moral power may be potent for peace, and in order that the United States may not be isolated and endangered in the world, our Nation must stand plainly for something so simple that all can understand and so clearly right that all men of good will will agree. That goal is a world of free societies wherein all men, as the children of God, are recognized to have certain basic rights, including liberty to hold and change beliefs and practices according to reason and conscience, freedom to differ even from their own Government, and immunity from persecution or coercion on account of spiritual and intellectual beliefs. We recognize that at home our people have not eradicated some kinds of intolerance, especially in race relations. There is, however, a profound difference between a free society, in which there can be appeal to the conscience of men to bring about self-correction, and a police state where no dissent is allowed.

"Our people, by word and deed, at home and abroad, ought to make clear that they stand on the principle of a free society as against a police state. Then we shall have brought into clear relief the issue on which turn the great decisions of our time. We shall have put in proper perspective the issues of communism, state socialism, co-operatives, capitalism, free enterprise, and other forms of social or economic life, admitting the right of all to experiment and seek by fair and tolerant methods to propagate their beliefs in the world.

"When our Nation's position is clarified in this respect, the American people will have identified themselves with a great principle which attracts the loyalty of men generally. On this principle the will of so many throughout the world could be consolidated as to make obvious the futility of attempting to extend generally the police state system. Then there would be reasonable basis to hope that the attempt would probably be renounced, if only as a matter of expediency. Fear and distrust would then give place to an atmosphere in which the nations could work together for a just and durable peace."

The statement urges the United States make greater use of the United Nations as a means for promoting consolidation of moral force "which is indispensable to peace."

Mr. HESELTON. Mr. Speaker, I did not want to interrupt the discussion between the gentleman from Arkansas [Mr. HAYS] and other Members, because, unfortunately, I was called from the floor and did not hear all of his remarks. I do want to express my conviction that the gentleman has addressed himself in his characteristically able manner to one of the most important issues now before Congress. His outstanding ability and

complete integrity and sincerity is a guaranty that his remarks will be received as constructive and most helpful to his colleagues.

All Members of Congress have a tremendous individual responsibility in passing judgment upon the nature and extent of aid to other nations and peoples. In the attempt to discharge that responsibility, it is certain that individual Members will have to rely in large measure upon the recommendation of some committee. It is encouraging to learn that a report is being filed by the Committee on Foreign Affairs dealing with certain aspects of the problem. Nevertheless, it is completely obvious that this problem, in all of its phases, does not lie within the primary jurisdiction of any single committee of the House. We are confronted with phases of the problem over which the Committee on Armed Services has jurisdiction. Other phases of the problem are within the jurisdiction of the Committee on Foreign Affairs. The relation of the Import and Export Bank, the Monetary Fund, and certain commodity controls to the problem is within the jurisdiction of the Banking and Currency Committee. The jurisdiction of the Committee on Agriculture over matters involving crops, fertilizer, and certain export controls is clear. The Appropriations Committee will have most important responsibility with reference to the amounts of the expenditures involved, as well as in connection with the use of these funds.

It is fundamental that with such conflicting jurisdictions over such an extensive field, a determined effort should be made to provide correlation among the committees of the House, so that the Members can be guaranteed that they have all the facts as well as the results of the best available judgment when they are confronted with the necessity of forming their conclusions and casting their votes on proposals which inevitably will be made.

Fortunately, a specific measure to accomplish this exact purpose is contained in House Resolution 173, filed by the gentleman from Massachusetts [Mr. HERTER] over 3 months ago, on April 2, and on April 23 referred to the House Calendar. It is possible that Members might feel that valuable contributions could be made through the selection of a majority and minority member from one or more of the other committees of the House than those mentioned in the resolution, but it is clear from the resolution that this can be accomplished through the provision for additional appointments by the Speaker.

The resolution is as follows:

Whereas the importance and complexity of aid required by foreign nations and peoples from the resources of the United States is assuming increasing proportions; and

Whereas such aid directly affects every segment of the domestic economy of the United States; and

Whereas the problems relating to such aid are of a nature to lie within the jurisdiction of a number of the standing committees of the Congress; and

Whereas these problems should, in order to safeguard the resources and economy of the

United States, be given the most careful consideration in relation to each other; and

Whereas an integrated and coordinated study should be most valuable to the standing committees of the Congress: Therefore be it

Resolved, That there is hereby created a select committee on foreign aid composed of 15 Members of the House of Representatives, who shall be appointed by the Speaker, 10 of whom shall be selected as follows: One from among the majority members and one from among the minority members of each of the following committees: The Committee on Appropriations, the Committee on Foreign Affairs, the Committee on Banking and Currency, the Committee on Armed Services, and the Committee on Agriculture. The Speaker shall designate one of the members of the select committee as chairman. Any vacancy occurring in the membership of the select committee shall be filled in the manner in which the original appointment was made.

The committee is authorized and directed to make a continuing study of (1) actual and prospective needs of foreign nations and peoples, including those within United States military zones, both for relief in terms of food, clothing, etc., and of economic rehabilitation; (2) resources available to meet such needs within and without the continental United States; (3) existing or contemplated agencies, whether private, public, domestic, or international, qualified to deal with such needs; (4) the administrative skills and performance of such agencies; (5) continuing wartime or other controls, if any, required to maintain prices of commodities in short supply at reasonable levels, whether such controls be domestic or international; (6) any or all measures which might assist in assessing relative needs and in correlating such assistance as the United States can properly make without weakening its domestic economy.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) from time to time as it shall deem appropriate, but not less often than once in each 6 months.

For the purposes of this resolution the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places, whether or not the House is sitting, has recessed, or has adjourned, to employ such personnel, to borrow from Government departments and agencies such special assistants, to hold such hearings, and to take such testimony, as it deems necessary.

Mr. Speaker, in my judgment, the immediate passage of this resolution would be the most constructive action the House could take in an attempt to fully and adequately discharge its responsibilities in this field, and I urge all Members who wish to provide a means for the soundest possible solution of this problem to do everything within their power to bring about the prompt passage of the resolution.

EXTENSION OF REMARKS

Mr. HOLIFIELD asked and was given permission to extend his remarks in the Appendix of the RECORD and to include a column from today's paper.

PERMISSION TO ADDRESS THE HOUSE

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and that my remarks may be printed in the Appendix of the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

[Mr. MURRAY of Wisconsin addressed the House. His remarks appear in the Appendix.]

THE AMERICAN IDEOLOGY: "ALL MEN ARE CREATED EQUAL"

Mr. KERSTEN of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KERSTEN of Wisconsin. Mr. Speaker, we have been speaking here this afternoon in this very interesting debate of conflicting ideologies. I think it behooves us for a moment to pay our attention to the pronouncement of what I think is the greatest ideology and philosophy of government that has ever been devised by man. It was phrased just 171 years ago tomorrow in our Declaration of Independence. The particular phrase to which I refer is that all men—not just Americans—all men are created equal, and that they are endowed by their Creator—not by a state, but by their Creator—with certain inalienable rights. That is the political philosophy of our form of government and I think we should contemplate it very deeply these days when we are thinking about conflicting ideologies. We should not be ashamed of it in this country or elsewhere throughout the world, and if there is to be a spread of any ideology it should be the ideology that recognizes that individuals get their rights from their God. We should not be afraid of intellectually defending that ideology under any and all circumstances as against any other type of government, because that ideology is based upon human nature. The same kind of human being that exists in this Chamber exists in Poland, in Czechoslovakia, in Rumania, Russia, everywhere; people are human. The rights that they have are not from their state but from their God. They have rights that are inalienable. We avowed that 171 years ago. It is good philosophy for Americans. It is good for people all over the world. That type of ideology can be defended by the people of any country. That is so because it is based on human nature. We should constantly let it be known to the world that ours, the finest government in the world, is based on a recognition of the fact that men are essentially equal the world over, that their fundamental rights—the right to life, the right to liberty, the right to seek and live a happy life—these rights and others are given to them by their God. These rights they have because they are human beings. No dictator, no president, no legislature, no court gives them these rights. Law and governments that are not based on human nature will wither away. But laws and governments which recognize that a human being is a king made in the image and likeness of his Creator, that he has rights and a dignity that are given to him by

his Creator, rights and a dignity that no state can take away—those laws and that government, shall stand the test of the centuries.

THE PROFUNDITIES OF GOVERNMENT RESEARCH

Mr. SHAFER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SHAFER. Mr. Speaker, I dislike to interrupt this discussion of ideologies. However, I have another matter that I think should be called to the attention of the House. I have here a clipping of a recent newspaper release from the Department of Agriculture which may have escaped the attention of some Members. It reads:

A brownish tinge that appears on white clothes during ironing may come from a scorched ironing board cover, home economists of the United States Department of Agriculture says. When very damp clothes are ironed, some of the brown color may come off the ironing board and onto the clean fabric. In the same way, other soluble stains on the ironing board may be transferred to clothes during ironing.

Now, Mr. Speaker, I am sure every Member will agree that the housewives of America should possess this profound knowledge. But I would be very much interested to know how many people the United States Department of Agriculture has had to keep on its pay roll in order to discover this important fact and to convey it to the public. I am sure the taxpayers would be interested to know just how much it cost them to have the Department of Agriculture dish out this vital information.

Perhaps President Truman has these pay-rollers in mind when he vetoed the Knutson tax-reduction bill.

THE JUDICIAL AND JUDICIARY CODE

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. Mr. Speaker, I take this time to advise the Members of the House who are present that on page A3279 of the Appendix to the CONGRESSIONAL RECORD there is a brief on behalf of the adoption of title XXVIII of the code, the name of which code is the Judicial and Judiciary Code.

We appropriated, and it was approved by both bodies and the President, \$100,000 for the work that has in these 4 years gone into the creation of this code. We believe that with 3,000 sections, 173 chapters and only two points of difference, we ought to approve that code. We believe it is sound and right. We have had the most expert advice that money could buy from the West Publishing Co. and the Edward Thompson Co., together with 4

years' work on the part of the Judiciary Committee. We have a unanimous report with only two corrections. One committee amendment will be offered when this matter comes up for consideration on Monday. If anyone wants to read it over the week end we will be happy to have you get the factual data on which this is based.

EXTENSION OF REMARKS

Mr. SADOWSKI asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and include an article on the shortage of oil and on GI loans.

Mr. BENNETT of Michigan asked and was given permission to extend his remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. BRADLEY. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BRADLEY. Mr. Speaker, in the remarks I have heard today, there have been a great many comments about independence. It brings to mind the fact that in 1898 the island of Guam came under the jurisdiction of the United States and that in the 49 years which have followed, the people of that island have not enjoyed one single day of independence or freedom under a civil government.

I do not say that in any spirit of criticism, but rather in a spirit of sorrow that we should have kept this very loyal, hardworking, fine people under military jurisdiction for so many years.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. BRADLEY. I yield.

Mr. McDONOUGH. Was not the gentleman Governor of Guam at one time in his work with the United States Navy?

Mr. BRADLEY. For 2 years, and may I say to the gentleman that during those 2 years I put into effect a great many reforms and a great many measures to liberalize the government of Guam, but, unfortunately, these could last only as long as the current governor wanted them to last. He had the power to abrogate any or all at any moment.

During the few years after I left Guam, in the early thirties, I made a great many efforts to obtain measures to grant more local control to the people of that island, but I was not successful because of the situation then prevailing in the Asiatic world. However, since the recent war the governmental departments have come around to these same ideas. The Navy Department now favors an organic act and local civil government. The State Department approves, the Interior Department approves. The President has come out in favor of such an act and such civil government. Now nothing except Congress stands between the people of Guam and such laudable ambitions. The people ask only a small say in the way of government. They ask for citizenship. They ask for civil home rule. They ask for an organic act. They do

not want to get out from under the administration of the Navy. They realize that their living comes mainly from the Navy. Any effort to take them from under the jurisdiction of the Navy Department and put them under some other department at the present time would be merely starting their local economy on the road to the poorhouse.

Mr. Speaker, it seems to me that, as we discuss these matters of the independence of the United States and of our efforts to be of help to all other nations of the world, it is about time we should give a little thought and do a little something in the way of allowing local civil government and human rights to the people who are under our own domination. It is nice to help everyone else but it would be nice also to take care of our own people, among whom the people of Guam deserve an honored place.

The SPEAKER pro tempore. The time of the gentleman from California [Mr. BRADLEY] has expired.

ATOMIC BOMB

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, I have listened with a great deal of interest to the discussion today, and my remarks have no reference to the remarks of any particular individual.

A year ago today I was serving on the President's Atomic Bomb Evaluation Committee in the Bikini Lagoon, in the South Pacific. We had just witnessed the first controlled experimental dropping of an atomic bomb. Slightly less than a year previous to that, August 9-12, 1945, the two first atomic bombs used in warfare had been dropped upon the Japanese industrial cities of Hiroshima and Nagasaki. A little less than a year ago I visited those two cities in Japan. I saw with my own eyes a city of a hundred thousand, approximately the size of the city of Long Beach, Calif., where the gentleman who has just spoken comes from, completely wiped out by one bomb dropped from a B-29. Eighty thousand people lost their lives when that bomb exploded, and the city was destroyed.

I went next to the city of Nagasaki and saw a like terrible illustration of this new and terrible power which had been discovered by man.

The horror of the atomic bomb is lost in the failure of our citizens to realize its terrible destructiveness. If the people throughout the world really understood the potential threat to their very existence, they would force cooperation upon their leaders.

The summer previous, a few days after the war ended in Europe, I had the opportunity of visiting the cities in Germany such as Frankfurt, Hamburg, and others. I saw those cities in their destroyed condition, and they remain that way today. I realized the tremendous effort in terms of manpower, money, equipment, and life which was utilized in

the destruction of the cities of Europe, and which is the cause of the terrible devastation in that country not only in the physical sense but also in the moral and in the political sense; and I thought of the great fleets of 700 bombers that went out from England—and I was there and saw some of them go out in 1944. Conditions have changed since VE-day and it is not necessary to send out 700 bombers at a time, it is necessary to penetrate with only one bomber with one atomic bomb, and drop it on a city the size of Frankfurt and create the destruction that had been created by hundreds and hundreds of B-29's.

Shortly after that I flew from the city of Bethlehem in Palestine, the Tel Aviv Airport, a distance of 8,000 miles back to San Francisco in 36 flying hours by a plane that was slow, a C-54—slow in comparison to what we have today. It is possible today to fly from Washington to San Francisco, a distance of 3,000 miles in some 7 hours by high-speed bomber with an atomic bomb.

I am bringing up these facts for the one purpose of illustrating that we live in a different world today than we have ever lived in before. We live in a world where the concern of conditions in Europe is as vital to us in this country as the concern of conditions in New York was to the people of Virginia in Revolutionary days. It takes less time to go from here to Moscow or Berlin by air than it took to go from New York to Washington by horse in Revolutionary times.

I am at the present time a member of the Joint Committee on Atomic Energy of the House and the Senate. Most of our hearings are behind closed doors. I think we members of that committee are afraid to talk on that subject today, afraid that we might inadvertently say something which we should not say; but I say in all sincerity that unless there is control of atomic energy the world that we know will go up in flames—and within a few years. Unless that control is effectuated through international control there will be no control. I stand 100 percent behind the Baruch proposal. When I picked up the paper this morning and saw that the Prime Minister's Conference had failed, a shudder went through my body because I realized that one more step had been taken toward what seemed inevitable atomic war.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for three additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. McDONOUGH. The gentleman referred to the question of the international control of atomic energy and the fact that he is a member of the Joint Committee of the House and Senate on Atomic Energy. Does the gentleman have any fear of international control of

atomic energy insofar as the moral integrity and intellectual honesty of the international relationships of the United States with any other nation in the world are concerned? And if he has any such fear what nation in the world does he have the most fear of on account of lack of control of atomic energy?

Mr. HOLIFIELD. I will be glad to give my friend an answer on that which I hope will be frank.

I feel that international control is necessary, as I said. I believe it has to come through an international organization. I know the difficulties are great, but I know that that control must be established.

Mr. Speaker, I am going to say something which I have never said before in public and it is along the line of what the gentleman from Illinois [Mr. DIRKSEN] said today. I have been one of those who has thought it possible to obtain international agreement. I have not concluded yet that it is not entirely possible. But when I see things happen like the failure of the ministers' conference in Paris, because of the action of the Russian representative, a chill of fear grips my heart, because I believe that the policy of noncooperation which has been evidenced by the refusal of Russia to participate in all the different auxiliary organizations of the United Nations and to cooperate with the Atomic Energy Commission of the United Nations represents a real danger to world peace. When I see a continuance of that policy of noncooperation I realize that we are crystallizing into a condition of separation which, in my opinion, will inevitably lead to atomic war.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from California.

Mr. McDONOUGH. I do not want to press the gentleman for an answer, but does he have any doubt of the moral integrity and intellectual honesty of those representing the United States in any international agreement in reference to atomic energy control? Does he have any doubt of the moral integrity and intellectual honesty of our representatives in establishing international control of atomic energy?

Mr. HOLIFIELD. Speaking of Mr. Baruch?

Mr. McDONOUGH. Our representatives.

Mr. HOLIFIELD. No. I have perfect confidence in the sincerity of the United States Representatives in the United Nations.

Mr. McDONOUGH. Does the gentleman have any doubt about the moral integrity and intellectual honesty of those representing Russia, or Russia itself, in establishing international control of atomic energy?

Mr. HOLIFIELD. I have very grave doubts about them. I have arrived at that point reluctantly, hoping that cooperative solution could be reached between Russia's representatives and ours.

Mr. McDONOUGH. I am glad to have that answer.

Mr. HOLIFIELD. I say that unless international accord is reached, there

will be atomic war between nations and if atomic war comes it means the end of civilization.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

THE LATE GARRETT WHITESIDE

Mr. HAYS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HAYS. Mr. Speaker, last evening a much beloved citizen of my State and for 40 years a secretary to Members of Congress died in the city of Washington. I refer to Garrett Whiteside, who came to the Capitol as a young man to serve as secretary to the late Ben Cravens, of Arkansas. Of the present membership, only the gentleman from Illinois [Mr. SABATH] was a Member of the House when Garrett Whiteside arrived. He served in later years as secretary to Hon. T. H. Caraway and Hon. Hattie Caraway, Members of the United States Senate. From 1945 to 1947 he was a member of the staff of the Secretary of the Senate. He was widely known for his long and faithful service here and for his writings on Washington life. His column, which appeared in leading newspapers in Arkansas, was a popular feature and provoked a familiar opening for a conversation, "Garrett Whiteside says." He numbered his friends by the thousands and in spite of his long participation in public affairs had scarcely an enemy.

He enjoyed and cultivated his friendships, not to profit by them, but because he loved people and wanted to help them. He was one of the friendliest and one of the most industrious secretaries who ever served on Capitol Hill.

He was an exceptional husband and father, and exemplified the finest qualities in our American family life. He was an ardent churchman and a worker in many good causes. His life was an unselfish one. He will be missed by thousands of friends who loved him and appreciated his contribution to our official life.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. COLE of Missouri (at the request of Mr. HALLECK), indefinitely, on account of illness.

ENROLLED BILL SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 4031. An act making appropriations to meet emergencies for the fiscal year ending June 30, 1948, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on July 2, 1947, present to the President, for his approval, a bill of the House of the following title:

H. R. 2700. An act making appropriations for the Department of Labor, the Federal Se-

curity Agency, and related independent agencies for the fiscal year ending June 30, 1948, and for other purposes.

ADJOURNMENT

Mr. LOVE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (a 3 o'clock and 4 minutes p. m.), under its previous order, the House adjourned until Monday, July 7, 1947, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

886. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 17, 1947, submitting a report, together with accompanying papers and illustrations, on a review of reports on Westcott Cove, Conn., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on October 19, 1945 (H. Doc. No. 379); to the Committee on Public Works and ordered to be printed, with two illustrations.

887. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 17, 1947, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of channel from Kent Island Narrows to Wells Cove, Chester River, Md., authorized by the River and Harbor Act approved on March 2, 1945 (H. Doc. No. 380); to the Committee on Public Works and ordered to be printed, with an illustration.

888. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 18, 1947, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Cambridge Harbor, Md., authorized by the River and Harbor Act approved on March 2, 1945 (H. Doc. No. 381); to the Committee on Public Works and ordered to be printed, with an illustration.

889. A letter from the Secretary of War, transmitting a draft of a proposed bill to equalize retirement benefits among members of the Nurse Corps of the Army and the Navy, and for other purposes; to the Committee on Armed Services.

890. A letter from the Secretary of State, transmitting a draft of a proposed bill to provide for payment of compensation to the governments of foreign countries for losses and damages inflicted on neutral territory during World War II by United States armed forces in violation of neutral rights, and authorizing appropriations therefor; to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 270. Resolution providing for the consideration of H. R. 1639, a bill to amend the Employers' Liability Act so as to limit venue in actions brought in United States district courts or in State courts under such act; without amendment (Rept. No. 788). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 271. Resolution providing for the consideration of Concurrent Resolution 54, concurrent resolution to provide

for the use of Schick General Hospital at Clinton, Iowa, for the Veterans' Administration; without amendment (Rept. No. 789). Referred to the House Calendar.

Mr. BURKE: Committee on Merchant Marine and Fisheries. H. R. 3043. A bill to provide for the transfer of certain lands to the Secretary of the Interior, and for other purposes; with amendments (Rept. No. 790). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 4055. A bill to provide increases in the rates of pension payable to veterans of Indian wars and the dependents of such veterans; without amendment (Rept. No. 794). Referred to the Committee of the Whole House on the State of the Union.

Mr. KNUTSON: Committee on Ways and Means. H. R. 3950. A bill to reduce individual income tax payments; without amendment (Rept. No. 785). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOPE: Committee on Agriculture. H. R. 4075. A bill to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes; without amendment (Rept. No. 786). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FELLOWS: Committee on the Judiciary. S. 1360. An act for the relief of Eric Seddon; without amendment (Rept. No. 791). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 2350. A bill for the relief of Mrs. Daisy Park Farrow; without amendment (Rept. No. 792). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 1931. A bill for the relief of the alien, Michael Soldo; without amendment (Rept. No. 793). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEALL:

H. R. 4083. A bill authorizing the State of Maryland, by and through its State roads commission or the successors of said commission, to construct, maintain, and operate a toll bridge or tunnel or combined bridge and tunnel across or under the Chesapeake Bay, in the State of Maryland, from a point in Anne Arundel County at or near Sandy Point to a point approximately opposite on Kent Island, and for other purposes; to the Committee on Public Works.

By Mr. REES:

H. R. 4084. A bill to authorize the creation of additional positions in the professional and scientific service in the War and Navy Departments; to the Committee on Post Office and Civil Service.

By Mr. SHEPPARD:

H. R. 4085. A bill to provide for the establishment of the Patton National Monument in the State of California; to the Committee on Public Lands.

By Mr. BLOOM:

H. R. 4086. A bill to amend the Civil Service Retirement Act so as to make such act applicable to the officers and employees of the National Library for the Blind; to the Committee on Post Office and Civil Service.

By Mr. BUSBEY:

H. R. 4087. A bill to reduce individual income-tax payments; to the Committee on Ways and Means.

By Mr. FOULSON:

H. R. 4088. A bill to provide for the per capita distribution of certain funds in the Treasury of the United States to the credit of the Indians of California, and for other purposes; to the Committee on Public Lands.

By Mr. EENNETT of Michigan:

H. R. 4089. A bill to raise the minimum-wage standards of the Fair Labor Standards Act of 1938; to the Committee on Education and Labor.

By Mr. SHEPPARD:

H. J. Res. 225. Joint resolution to authorize commencement of an action by the United States to determine interstate water rights in the Colorado River; to the Committee on the Judiciary.

By Mr. PHILLIPS of California:

H. J. Res. 226. Joint resolution to authorize commencement of an action by the United States to determine interstate water rights in the Colorado River; to the Committee on the Judiciary.

H. Con. Res. 57. Concurrent resolution regarding disposal of Torney Hospital property in Palm Springs, Riverside County, Calif.; to the Committee on Expenditures in the Executive Departments.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States in favor of the enactment of the Reed bill; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

717. By Mr. HART: Petition of New Jersey State Bar Association, urging the passage of H. R. 1639, the so-called Jennings bill; to the Committee on the Judiciary.

718. By Mrs. NORTON: Petition of the Hudson County Bar Association, of New Jersey, opposing the enactment of the Springer bill, H. R. 318, a bill to require certain persons within the United States to carry identification cards and be fingerprinted, and for other purposes; to the Committee on the Judiciary.

719. By Mr. REED of Illinois: Petition of Mrs. Ralph Emmert, Elgin, Ill., and others, requesting favorable consideration of H. R. 1769, a peace bell bill; to the Committee on House Administration.

720. Also, petition of Mrs. Earl F. Dobler, Elgin, Ill., and others, requesting favorable consideration of H. R. 1769, a peace bell bill; to the Committee on House Administration.

721. By the SPEAKER: Petition of Holy Name Society, St. Mark's Church, Gary, Ind., petitioning consideration of their resolution with reference to steps to investigate subversive activities of foreign agents working to break down constitutional government; to the Committee on Foreign Affairs.

722. Also, petition of Mrs. Carrie L. McMarcus and others, of Sarasota, Fla., petitioning consideration of their resolution with reference to enactment of H. R. 16; to the Committee on Ways and Means.

723. Also, petition of Mrs. Albine Bibeau and others, of St. Petersburg, Fla., petitioning consideration of their resolution with reference to enactment of H. R. 16; to the Committee on Ways and Means.

SENATE

MONDAY, JULY 7, 1947

Rev. Albert Joseph McCartney, D. D., minister emeritus, Covenant-First Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou who hast called us to our high responsibilities, we ask for that meed of bodily health and mental vigor that will make us equal to our tasks. As we address ourselves to the duties of another week, make us sensitive to Thy will. Help us to keep keen the edges of our minds to make our thinking straight and true. Help us to hold our personal interests in restraint and keep Thou the door of our lips lest we offend against Thee or one another. So may we move through the routine proceedings of this day's work that when evening comes there may be no vain regrets and we may rest in peace. These blessings we ask in Jesus' name.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, July 3, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed a bill (H. R. 4011) to amend section 1602 of the Federal Unemployment Tax Act.

LEAVE OF ABSENCE

Mr. WHERRY. Mr. President, it is with deep regret that I announce the death of the wife of our colleague the junior Senator from New York [Mr. Ives]. At this time I ask unanimous consent that the junior Senator from New York be excused from sessions of the Senate for the next few days.

The PRESIDENT pro tempore. Without objection, leave is granted.

COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH

The PRESIDENT pro tempore. The Chair would like to make the appointments required to be made by the President pro tempore of the Senate under the terms of the Lodge-Brown Act for the establishment of the Commission on Organization of the Executive Branch of the Government. The law requires the President pro tempore to appoint two Members of the Senate and two civilians.

The Senate appointments will be the Senator from Vermont [Mr. AIKEN]; the Senator from Arkansas [Mr. McCLELLAN]; Prof. James K. Pollock, of the Uni-

versity of Michigan, Ann Arbor, Mich.; and Hon. Joseph P. Kennedy, of Hyannis Port, Mass.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

COMPENSATION TO FOREIGN GOVERNMENTS FOR CERTAIN LOSSES AND DAMAGES

A letter from the Secretary of State, transmitting a draft of proposed legislation to provide for payment of compensation to the governments of foreign countries for losses and damages inflicted on neutral territory during World War II by United States armed forces in violation of neutral rights, and authorizing appropriations therefor (with an accompanying paper); to the Committee on Foreign Relations.

REPORT ON HAYDEN LAKE UNIT OF RATHDRUM PRAIRIE PROJECT, IDAHO

A letter from the Under Secretary of the Interior, transmitting, pursuant to law, his report and findings on the Hayden Lake unit of the Rathdrum Prairie project, Idaho (with an accompanying report); to the Committee on Public Lands.

REFERENCE MANUAL OF GOVERNMENT CORPORATIONS (S. DOC. NO. 74)

A letter from the Comptroller General of the United States, transmitting information supplementing the Reference Manual of Government Corporations, as prepared in the General Accounting Office (S. Doc. No. 86, 79th Cong.), and reflecting changes in applicable laws, creation or liquidation of corporations, Government reorganizations, and other conditions affecting the auditing relations of the General Accounting Office and the corporations through 1946 (with an accompanying document); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

PETITIONS

Petitions were laid before the Senate by the President pro tempore and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of California; to the Committee on Appropriations:

"Assembly Joint Resolution 50

"Joint resolution relative to funds for fish hatcheries in California

"Whereas it has come to the attention of the members of the California Legislature that because of lack of funds the United States salmon hatchery located on Mill Creek, a tributary of the Sacramento River, will be closed on May 31; and

"Whereas such closing of the hatchery will greatly and adversely affect the production and capture of salmon in the Sacramento River and tributaries as well as in the adjacent ocean; and

"Whereas such lack of funds is occasioned by budget slashes of the Department of the Interior by the Congress: Now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California (jointly), That the President and the Congress are memorialized to restore or otherwise provide sufficient funds to continue the operation of the said hatchery and any other hatcheries in California which may be so adversely affected; and be it further

"Resolved, That the chief clerk of the assembly be directed to send a copy of this resolution to the President of the United States, to the President pro tempore of the Senate, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."